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## 2,000 'No-Names' Languish in China

### Low-Profile Political Prisoners

By Steven Mufson

Washington Post Service

BEIJING — They are the prisoners without names, at least without internationally famous names. Yet, even after the release into exile of China's most famous dissidents — first Wei Jingsheng and now Wang Dan — more than 2,000 people remain in jail for political crimes and misdemeanors.

Take the case of Zhao Changqing, a democracy activist from China's north-central Shaanxi Province, who tried to run for office in the local elections that have been widely hailed overseas as signs of political reform in China. Mr. Zhao was arrested a month ago and charged with endangering national security, human rights groups said.

Mr. Zhao, a former student demonstrator in the 1989 protests that Mr. Wang led, had wanted to enter local elections to represent the nuclear factory he works for, but plant management ruled he was not qualified. He was detained for a month, released in February, laid off from his job, and detained again.

Another prisoner is Liu Nianchun, a principal sponsor of the League for the Protection of the Rights of the Working People. In May 1995, he was detained after he took part in a campaign to petition the National People's Congress to prevent abuses of human rights. More than a year later, on July 4, 1996, Mr. Liu was sentenced without trial to three years of what China calls "re-education through labor" at a labor camp in the remote northern province of Heilongjiang.

Mr. Liu was tortured with electric batons, moved to a punishment cell, and denied water, according to international human rights groups. His sentence was extended by six days for every month of his sentence — a total of 216 days — because he had not reformed his thought, human rights groups say, but Chinese officials have denied that.

Recently, Mr. Liu disappeared altogether. When his wife went on her usual monthly visit in mid-October, prison officials told her he had been moved to a labor camp much closer to Beijing. When she arrived there, however, prison officials told her they had never heard of him.

According to figures released by Beijing, at the end of 1996 there were 2,026 people in Justice Ministry prisons for counterrevolutionary crimes. John Kamm, a California-based business consultant who works in China and campaigns to obtain information about Chinese political prisoners, estimates that human rights groups know the names of less than 10 percent of those people.

See CHINA, Page 7



Gennadi Zyuganov, head of Russia's Communist Party, declaring Wednesday in Red Square that he would risk dissolution of Parliament this week in a test of wills with Mr. Yeltsin.

## The Real Struggle for Russia: Market Reform or 'Big Capital'

By Michael R. Gordon

New York Times Service

MOSCOW — The shadowy battle over the future of the Russian government has burst into the open as a struggle that is less about ideology. Boris Yeltsin's health or even the qualifications of his choice for prime minister than about who will control economic policy.

After weeks of bitter fighting, the terms of the battle were laid out openly Tuesday in a newspaper controlled by one of the country's most powerful tycoons. The newspaper outlined conditions for a resolution of the fight over Mr. Yeltsin's cabinet that would undermine the nation's most prominent market reformers.

The struggle is largely between a small group of big-business owners who have amassed enormous fortunes as former state enterprises have been sold off and government aides who have pledged to bring a sense of fair play to Russia's anything-goes brand of capitalism.

At the center is Boris Berezovsky, one of Rus-

sia's richest, most ruthless and most flamboyant businessmen, who has done more than anyone to mobilize the opposition to Mr. Yeltsin.

On Friday, Russia's legislature will hold its third and decisive vote on whether to ratify Mr. Yeltsin's nomination of Sergei Kiriyenko as prime minister. If the nomination is again rejected, as it has been twice, Mr. Yeltsin has said he will dissolve Parliament and hold national elections.

Most analysts predict that Mr. Kiriyenko will finally be approved. What is less clear is what concessions may have to be made to get the nomination through.

[Russia's upper house of Parliament urged the lower house Wednesday to back Mr. Kiriyenko. Reuters reported from Moscow. The unelected Federation Council, which brings together Russia's powerful regional leaders, said it wanted the Duma to approve him to maintain political stability.]

Mr. Berezovsky has unleashed a furious media campaign against the 35-year-old technocrat, who

See RUSSIA, Page 10

## Dublin Parliament Approves Peace Deal

### Wide Support Clears Way for Referendum

By James F. Clarity

New York Times Service

DUBLIN — In a historic step Wednesday toward ending hundreds of years of often violent dispute with Britain over sovereignty on the island of Ireland, the Irish Parliament overwhelmingly approved the Northern Ireland peace agreement that was reached in Belfast on April 10 by leaders of the Protestant majority and the Roman Catholic minority.

The approval in Dublin after 11 hours of debate over two days, with only a single voice raised against the agreement in the 166-member Parliament, cleared the way for a referendum here in the Irish Republic on May 22. The same agreement will be put to voters in the British province of Northern Ireland on the same day.

If approved, the agreement will drastically revise the political structure of the British province, where sectarian warfare has killed more than 3,200 people since 1969. Prime Minister Bertie Ahern said the agreement was "a major breakthrough in terms of consolidating peace and ending 30 years of conflict" between Protestants, Catholics and the British Army and the police.

"The agreement is history in the true sense of the word," he said. He added that approval of the agreement in the north and the south of Ireland would

represent for the first time since 1918 "a concurrent act of self-determination by the people of Ireland as a whole." In 1918, while still under British rule, Irish elected to the British House of Commons convened, instead, in Dublin as the Irish Parliament. It advocated independence, which was gained, after a guerrilla war, in 1922.

Mr. Ahern added that the agreement would also end any British right to impose sovereignty, dating from 1170. At that time, an Irish warlord, Dermot MacMurrough, invited an English adventurer, Strongbow, to help him slaughter his Irish enemies, establishing the English ascendancy and ultimately British colonial rule in Ireland.

Simultaneously, the prime minister said in a half-hour speech to the Parliament on Tuesday, the Irish Republic, under the agreement, will withdraw its constitutional claim to sovereignty in the North.

Before the debate, Mr. Ahern was able to quell opposition to this among zealous nationalists in his own party, Fianna Fail. The only dissent came from the Socialist Party member in the Parliament. Joe Higgins, who argued against the government's decision to put the peace agreement to a referendum on the same day as a referendum on the proposed new European Commission treaty for European Union members.

See ULSTER, Page 10

## Cracks in the EU Widen

### France Refuses to Follow Germany's Proposal On Fiscal Austerity, Raising Tension Over Euro

By Alan Friedman

International Herald Tribune

ROME — With little more than a week to go before European Union leaders anoint the 11 nations that will launch the euro, yet another rift has opened between France and Germany, the two nations at the heart of the Continent's single currency project.

French officials made it clear Wednesday that Paris was refusing to be bound by rules proposed by Germany that would set stricter conditions on the freedom of individual countries to decide budgetary policy. The new conflict comes on the heels of a still unresolved dispute between Paris and Bonn over who should lead the eventual European central bank, which will set interest rates for much of the Continent.

France is opposing demands by Germany for all members of the monetary union to promise that any unexpected tax revenues or other budgetary funds in 1998 be automatically used to reduce deficits and, in turn, overall debt levels. The proposal, by the German finance minister, Theo Waigel, was aimed at ensuring that Italy and Belgium, which both have higher than average debt levels, stay the course of debt reduction, diplomats said.

Mr. Waigel made the proposal during a meeting Tuesday of EU finance ministers in Luxembourg. He also reiterated a plan to accelerate other fiscal tightening measures, moving them up from January 1999 to next month. The German minister wants his proposals to be contained in a special declaration by government heads at their May 2 summit meeting on economic and monetary union.

In Paris, an aide to Dominique Strauss-Kahn, the French finance minister, said Wednesday that France did not object to a declaration of principles being made but wanted to make sure that individual countries did not hand over their national sovereignty on economic policy.

"What Mr. Strauss-Kahn has said is that every country should be free to utilize its financial resources as it wishes," the French official said. "It is fine to ask countries to use resources for debt reduction, but this should not be an absolute rule and it should not be imposed."

German officials, already at loggerheads with Paris over the choice of the

first president of the European central bank expressed exasperation with the French position. "This should be a goal for all countries," a German official said. "but it is necessary, especially for those countries with very high debt ratios. We don't see what the problem is."

Officials involved in the latest talks say that Mr. Strauss-Kahn, meanwhile, is keen to ensure that the May 2 declaration contains language linking the tough deficit-reduction language of the Stability Pact with employment issues and with increased coordination of economic policies among members of the economic and monetary union.

Some non-German officials also sug-

See EUROPE, Page 10

## UN Warns of AIDS Virus 'Explosion' in East Europe

By David Brown

Washington Post Service

WASHINGTON — Parts of Eastern Europe and Russia are on the verge of a "true epidemic" of HIV infection, according to the director of the largest international AIDS organization.

The disease in that region is still largely confined to drug users in their late teens and early 20s but threatens to spread to the larger population through

sexual transmission, said Peter Piot of UNAIDS, a program run by several United Nations agencies, the World Health Organization and the World Bank.

"We believe, really, that we are seeing the beginning of an explosion," Mr. Piot said Tuesday in Moscow, where he was preparing to begin a global campaign to prevent HIV infection among people between age 10 and 24. "We need to take steps to prevent this region

from going the way of Africa and Asia.

Ukraine is the hardest hit of the former Soviet republics, with an estimated 110,000 people infected. Russia is believed to have about 40,000 cases, and another 40,000 are estimated to exist in Belarus, Moldova and Poland.

As recently as 1994, the region had only 30,000 cases of HIV infection. The explosive growth of drug use — mostly heroin injection — in several cities

since 1975 is the major engine of the epidemic. In the Ukrainian port city of Odessa, for example, more than half of the people who inject illicit drugs are infected, Mr. Piot said.

As in many African and Asian nations during the early phase of their epidemics, the former Soviet republics are also seeing high HIV prevalence among prostitutes. A recent survey in

See AIDS, Page 10

## Phone Fiasco as More World Cup Tickets Go on Sale

Compiled by Our Staff From Dispatches

PARIS — The European telecommunications network was put to the test Wednesday when the French organizers of soccer's World Cup put an additional 110,000 tickets on sale.

In the first hour that the telephone line was operational, it was jammed with 4 million calls from Britain alone. Over the course of the day, 4.5 million calls were made from the Netherlands and 1.7 million from Belgium. France Telecom said a total of 20 million calls had been made by 6 P.M. local time.

There were 90 phone operators taking the calls. By 8 P.M., when the line closed for the day, they had sold 15,000 tickets.

"The vast majority will just get the engaged tone," a spokesman for British Telecom said. "Anyone who gets a ticket will be very lucky."

Professor Howard Williams, a telecommunications expert from Strathclyde University in Scotland, said the chances of getting through were about one in 2 million. Because fans in France had a separate number to call, Williams calculated that they would end up with about 60 percent of the available tickets.

The Belgian telephone concern Belgacom reported 1.64 million outgoing calls between 8 A.M., when the line opened, and noon, although it said only half a million had reached Paris and a tiny proportion were answered.

"Ten were accepted this afternoon and just one or two this morning," said Jan Margot of Belgacom.

A spokesman for Tele Danmark said that 6 percent of callers from Denmark got through to an operator in France.

One British fan who did get through said he had been unable to buy tickets because the French were experiencing technical problems. "The French woman explained to me that, due to an administration crisis and telecom and computer failure, that basically I can't get a ticket," the fan told BBC radio.

The German national soccer federation said it had received many complaints from fans who had been unable to get through to the hotline.

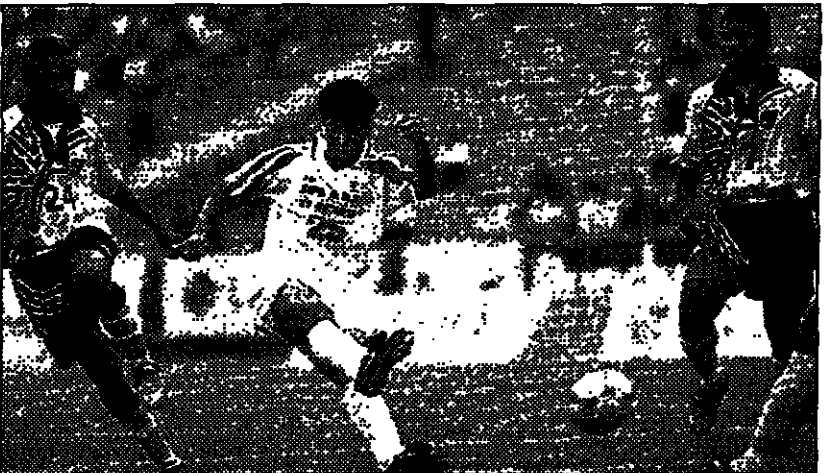
"I find this a tragic situation," said Jan Peeters of the Belgian soccer union. "The manner found by the French to distribute the last tickets is not the right way."

Thirty members of the European Parliament said Wednesday that they would sue the organizers over the distribution of tickets. The deputies are seeking the reallocation of 712,484 tickets that had been earmarked for the so-called French soccer family — officials, trainers, players — and French national and regional authorities but had not been actually distributed yet.

The deputies said only 26.4 percent of tickets would go to the public outside France, contravening European law.

The telephone lines will remain open until all 110,000 tickets are sold.

The number for callers within France is 08-00-00-19-98. The number for callers from other European countries is (33-1) 49-87-53-54. The lines are to be open from 8 A.M. to 8 P.M. local time. (Reuters, AP, AFP)



TEHRAN ACTION — An Iranian battling with two Jamaicans for the ball in Tehran, where soccer has become a political football. Page 18.

## 'Beetlemania' Takes Hold in America

By Warren Brown

Washington Post Service

WASHINGTON — U.S. consumers are buying up nearly every one of the new Volkswagen Beetles rolling out of the VW factory in Puebla, Mexico.

The reintroduction of the retro VW bug, in fact, is the largest marketplace stir caused by Volkswagen AG since it brought the first Beetle to U.S. shores in 1949, analysts said.

The outburst of Beetlemania has created long waiting lists at many of Volkswagen's 600 U.S. dealerships, some of which were ready to give up on the German automaker a few years ago.

The car's bug-shaped body, which is much like the old Beetle's, its bold

colors such as the yellows, limes and reds favored in the 1960s, its clever advertising that plays on classic VW ad campaigns and a wave of nostalgia in the baby-boom generation have combined to make the car a marketing phenomenon.

"We've sold 25 in less than a month," said Harry Felder, general sales manager at Tischer Autohaus in Silver Spring, Maryland. "If we could get more of 'em, we could sell 50 a month."

Volkswagen will have sold nearly 8,000 Beetles in the United States by the end of this month, barely two months after the car's reintroduction. That is a very fast start for a new car; the Mazda Miata, one of the last "must-buy" cars, had sold 3,000 two months

after its launch in 1989.

After taking the original Beetle out of the U.S. market in 1979, Volkswagen's sales stagnated and then plummeted.

Many dealers, deprived of products that could attract mass attention, began closing their doors, knocking VW's U.S. dealership network count down to 600 today from 831 a decade ago.

Volkswagen, the company that started the import revolution in the United States, became virtually invisible, its market share falling below 1 percent today. That contrasts with Volkswagen's strength in Europe, where it is the leading carmaker and holds more than 11 percent of the market.

See VW, Page 10



Jens Wahlmann, a U.S. Volkswagen dealer, standing by a new Beetle.

Newsstand Prices

Andorra.....	10.00 FF	Lebanon.....	11.3,000
Antilles.....	12.50 FF	Morocco.....	16 Dh
Cameroon.....	1,600 CFA	Catar.....	10,00 QR
Egypt.....	EE 5.50	Reunion.....	12.50 FF
France.....	10.00 FF	Saudi Arabia.....	10 SR
Gabon.....	1,100 CFA	Senegal.....	1,100 CFA
Italy.....	2,800 Lire	Spain.....	225 Ptas
Ivory Coast.....	1,250 CFA	Tunisia.....	1,250 Dh
Jordan.....	1,250 JD	U.A.E.....	10,00 Dh
Kuwait.....	700 Fils	U.S. Mil. (Eur.)	\$1.20



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## No Feeling of Crisis / 'Nothing We Can Do'

## Lulled by Material Comfort, Japanese Fiddle While Their Businesses Burn

By Nicholas D. Kristof  
New York Times Service

OMIYA, Japan — Aside from the fact that his beloved little business is collapsing after a lifetime of effort, Mitsuo Okura is rather pleased with life. Mr. Okura, a 62-year-old, sits in a little office beside his four-employee factory, which spits out gobs of black plastic that eventually end up in Toyota and Honda cars.

Pictures of his grandchildren decorate the wall behind him, and he smiles amiably as he mocks his own foolishness for expanding his factory eightfold during Japan's so-called bubble economy of the late 1980s.

His eyes crinkle pleasantly as he acknowledges that his own son and daughter have declined to inherit the business. He accepts that in the economic competition for survival of the fittest, he will end up in a more ruthless animal's digestive tract.

"People complain about the bad economy," Mr. Okura mused.

here in Omiya, a little town nearly 325 kilometers (200 miles) southwest of Tokyo. "But when I look around the house, I've got everything I want. I've got three cars, and most families around here have two or three as well."

"I've got a couple of televisions, and so do most people. I've got a washing machine, a refrigerator, and so do all my neighbors. Even if no one sees a bright future, there's no feeling of crisis."

And that may be Japan's problem: Life is too comfortable.

The lack of a crisis mentality means that Japan cannot summon the political will to lay off surplus workers, to extinguish insolvent banks, to snuff out the hopes of the kindly old ladies who run rice shops and futon stores. It means that there is little public pressure on Prime Minister Ryutaro Hashimoto to push for the sweeping deregulation and huge stimulus measures that the United States is urging.

Japanese and foreign economists mostly agree that such a far-reaching restructuring is necessary to invigorate the second-largest economy in the world. Japan is widely seen as caught in a blemish of regulatory barriers that stifle competition in finance, retailing, transportation, medicine, agriculture, telecommunications, and many other sectors, and critics often say that without deregulation Japan will continue to stagnate as it has for the last seven years, sapping strength from the United States and other countries.

Indeed, the Clinton administration sometimes suggests that Japan is on the verge of economic collapse, and it portrays Japan as a threat to the entire global economy. But sit on the tatami mat floor in a Japanese home like Masamitsu Nishi's here in Omiya, and life still seems so secure that people feel little urgency about change.

Mr. Nishi, a former Honda worker who now runs a construction company with 40 employees, says business is terrible, but he adds that his family and neighbors have been scarcely affected by the

downturn. Indeed, most people here say they do not know anyone who has ever been laid off.

Unemployment in Japan is at a record high, but that's still just 3.6 percent — more than a percentage point below the rate in the United States. Inflation is zero. Interest rates are negligible, and business bankruptcies per capita are still one-third lower in slumping Japan than in booming America.

"There isn't much feeling of a downturn, among ordinary people," Mr. Nishi said, despite Japan's slight shrinking of the economy last year. As he relaxed on a cushion on the floor, nursing a coffee in the tranquil night air, he added: "Even with my family, business isn't good, but we haven't cut back on our living standard."

So although Japan is enduring its worst slump in a quarter-century, political discontent is not boiling over as it would in the United States. Indeed, the governing Liberal Democratic Party is steadily gaining strength, and people like Mr. Nishi and his wife, Kazuko, perceive the central government as so remote that it is neither the problem nor the solution. "As for me," Mrs. Nishi said, "I just don't see any signs of a crisis."

Takashi Tanaka is one of the few casualties of the economic downturn, and his experience underscores how overwhelming a task it will be to transform Japan into a modern market economy.

Businessmen like Mr. Tanaka, a slim 37-year-old who works as a forester in Omiya because his factory went under last year, operate in an environment that is more social than economic. Mr. Tanaka sat back in a friend's home in Omiya and described his failed business as based not on contracts or prices but rather on traditional values such as *giri-ninjo*, or duty and empathy.

The result has been a Japanese economy whose outward facade is skyscrapers and business suits, but whose human interactions are still rooted in traditional concepts of honor. These ways of doing business are frustrating for American officials but would be immediately understandable to any 18th century samurai.

Mr. Tanaka was in charge of a 30-year-old family business making pearl souvenirs and accessories. At its peak it had several dozen employees, but it was just the kind of inefficient factory that has become uncompetitive in Japan because of rising imports and increasing labor costs.

"It just got too hard to compete with imports," he recalled. "Chinese-made pearls come into Japan, and the finished product is the same price as the cost of our materials."

So the family business steadily declined, and it lost money year after year. But because of *giri-ninjo*, Mr. Tanaka did not take the cost-cutting steps that might have saved his business.

"What I kept thinking about most was the employees," Mr. Tanaka said. "They depended on us. I just couldn't bring myself to dismiss the inefficient ones."

"There was one person

in particular that I thought I could do without. But I kept him and kept him, because I thought that his entire family would be in trouble if we dismissed him."

"I thought of offering the employees less money. I'm sure they would have accepted, if I'd offered. But I just couldn't bring myself to do such a thing."

So last year Mr. Tanaka finally had to close the factory, and the employees lost their work anyway. Mr. Tanaka readily admitted that his sense of *giri-ninjo* was misplaced and a bit foolish.

"I think a person with greater ability might have saved the company, but I wasn't fit for business," he admitted.

Mr. Tanaka and nearly everyone else in Omiya believe that the *giri-ninjo* economy is inevitably withering away, a process that is most evident in the disappearance of small shops. Japan, far more than Britain, is a nation of shopkeepers, and Japan has more than twice as many shops per capita as the United States.

THESE little shops are so inefficient that they mostly charge very high prices and survive on webs of *giri-ninjo*. The stores appeal not to the minds of customers or to their pocketbooks, but to their loyalty — and these days, that is not enough.

"I have a friend near here, and I was thinking that since her refrigerator was getting old, maybe she would buy a new one from us," said Yachiyo Horie, who runs a little electronics shop with her husband, Nobuhiko. "Then one day I was at her house and I saw a new refrigerator! I thought, 'Hey!'"

"Well, I was very curious, but of course I couldn't say a thing. So finally I casually said, 'I see you have a new refrigerator.' But she didn't want to talk about it."

Mrs. Horie shook her head sadly. "Now even my sister buys electrical things in the big stores," she said. "Like her new washing machine."

Mr. Horie looked reproachfully at his wife. "And a new television," he added.

There is an expression in Japanese, *nurumayu*, that describes the coziness of a lukewarm bath even when someone knows that it is time to step naked out of the tub and face the chill. Many Japanese say that their nation's economy is *nurumayu*, and they realize that it is time to get out — but that the bath is so lulling they cannot summon the energy to do so just yet.

"Frankly, I'd just as soon stay in the bath," said Hironori Takayama, a young banker in a town near Omiya. "But these days, even if you try to stay in the bath, the tub will crack and the water will leak out. So if you stay in your risk getting chilly and catching cold. It's not much of a choice."

For people like Mr. Takayama, the problem



Masamitsu Nishi, a former Honda worker who now runs a construction company with 40 employees in Omiya, Japan, says that while business is terrible, his family and neighbors have been scarcely affected by the downturn.

with economic restructuring is the price in fairness, equality, and civility. To foreigners, Japan often seems virtually socialist in mind-set, profoundly believing in social equality and relying on the most progressive income tax system of any major country in the world — including a marginal rate of 65 percent on personal income taxes — to achieve the equality.

"After the Soviet Union collapsed, I thought that socialism had failed and that capitalism was better," said Mr. Takayama, expressing an epiphany that seemed odd coming from a banker in a dark suit in what is usually thought of as the biggest capitalist economy outside of America.

"But when I visited Singapore one time, I saw skyscrapers and then what looked like a slum next to them," he said. "I was surprised, and maybe that's because Japan is the only place where that kind of thing doesn't happen, the only place where everybody thinks of themselves as middle class."

Mr. Takayama brooded for a few minutes. Then he added: "I don't want to get out of this bath."

A cultural difference may also be behind the Japanese antipathy for unregulated markets. Americans are risk-takers who are taught to respect explorers and entrepreneurs, while Japanese are drilled to be cautious and to respect bureaucrats. Japan is so innately risk-averse that the Japanese language traditionally did not even have a good word for risk.

Japanese often turn to pop sociology to

account for these differences, describing themselves as a "farming people" in contrast to the "hunting peoples" of the West. In effect, Japanese tend to see themselves as coexisting herbivores, in contrast to the carnivores from Wall Street and the West.

TO BE sure, the image of peace-loving herbivores does not carry much weight in countries like China or Korea that were invaded and terrorized by Japanese soldiers, nor does the image resonate with American or European companies that were mangled by Japanese manufacturers in the 1980s. But within Japan, the image seems a natural one — Japanese businesses are indeed extremely reluctant to hurt their own — and the consequence is a disinclination to the economic carnage of free markets.

Shinji Hashikura, 42, who runs a five-employee factory making electrical parts in Omiya, sat at his kitchen table and expressed his feelings with a common Japanese saying, *shiku niku, kyo shoku* — the strong gobble up the meat of the weak. That, he complained, is a worrisome trend.

"Meat of the weak — that's me!" Mr. Hashikura said morosely. "I'm the one who's going to be gobbled up. And 80 percent of Japanese are weak meat, too. So while the gobbling begins, we'll all be dead."

Mr. Hashikura paused and exchanged a look with his wife, who sat beside him at the kitchen table. "But that's the way of the future," he said. "There's nothing we can do."

## TRAVEL UPDATE

## Strikers at Calais Let 2 Ferries Dock

CALAIS, France (AFP) — Dockworkers eased a blockade on cross-channel traffic Wednesday, allowing two British ferries into port ahead of talks with the management of the SeaFrance ferry company.

But union officials said the four SeaFrance ferries that had been blocked by the strikers would remain in the harbor.

## La Guardia and O'Hare Add Flights

WASHINGTON — The Transportation Department has given two small airlines permission to fly to La Guardia Airport in New York, and allowed three airlines to add 20 flights at O'Hare International Airport in Chicago, to increase competition and provide better service to small cities.

At La Guardia, permission was given for a total of nine takeoffs or landings. Spirit, a small discount airline, received slots for service to Melbourne, Florida. American Trans Air, a

24-plane charter operator, received slots for service to Midway Airport in Chicago. At O'Hare, two commuter affiliates of United Airlines, a commuter affiliate of American Airlines, and America West, a larger, long-distance carrier, were given permission for 53 more takeoffs or landings.

Russia is planning to introduce a border tax this summer that could be \$10 a person, the Federal Tax Service chief, Alexander Pochinok, told the *Itar-Tass* news agency. (AP)

Air traffic returned to normal at the international airport in Miami, after the civil aviation worker's union settled a dispute with the government and called off an indefinite strike that began Tuesday. (AFP)

Northwest Airlines mechanics are engaged in a work slowdown over contract talks, forcing the cancellation of dozens of flights around the United States. An internal Northwest memo says many planes have been out of service. (AP)

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## WEATHER

Forecast for Friday through Sunday, as provided by AccuWeather.

Europe	Today	Friday	Saturday	Sunday
Algeria	19/26	14/27	23/27	19/21
Amsterdam	19/26	14/27	23/27	19/21
Ankara	9/18	11/21	12/23	10/21
Athens	19/26	14/27	23/27	19/21
Berlin	19/26	14/27	23/27	19/21
Bombay	19/26	14/27	23/27	19/21
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Chennai	19/26	14/27	23/27	19/21
Colombo	19/26	14/27	23/27	19/21
Dhaka	19/26	14/27	23/27	19/21
Delhi	19/26	14/27	23/27	19/21
Dubai	19/26	14/27	23/27	19/21
Edinburgh	19/26	14/27	23/27	19/21
Hong Kong	19/26	14/27	23/27	19/21
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Osaka	19/26	14/27	23/27	19/21
Paris	19/26	14/27	23/27	19/21
Rangoon	19/26	14/27	23/27	19/21
Seoul	19/26	14/27	23/27	19/21
Singapore	19/26	14/27	23/27	19/21
Taipei	19/26	14/27	23/27	19/21
Tokyo	19/26	14/27	23/27	19/21
Yokohama	19/26	14/27	23/27	19/21

Asia	Today	Friday	Saturday	Sunday
Algeria	19/26	14/27	23/27	19/21
Amsterdam	19/26	14/27	23/27	19/21
Ankara	9/18	11/21	12/23	10/21
Athens	19/26	14/27	23/27	19/21
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THE AMERICAS

# Clinton Team Intervenes to Block Starr on Secret Service

By David Johnston  
New York Times Service

WASHINGTON — Invoking a novel and untested legal theory, the Clinton administration has formally interceded in court to block the independent counsel from questioning Secret Service agents about what they saw and heard as bodyguards for the president, law enforcement officials said.

The "protective function" privilege, as described by officials familiar with the legal papers filed Tuesday in federal court here, confers on uniformed and plainclothes security personnel around the president a broad new exemption that would allow them to refuse to appear as witnesses in a criminal proceeding, like Kenneth Starr's grand jury inquiry.

The sealed motion represented the first time that the Justice and Treasury departments have directly intervened in court to try to rein in Mr. Starr's aggressive inquiry into Mr. Clinton's relationship with Monica Lewinsky, a former White House intern.

If the Justice and Treasury Department position is affirmed by the courts, the new privilege would allow Secret Service agents to refuse to testify about what they observe in the course of official duties that involve them sometimes in intimate situations with presidents and the private lives of their families, advisers and social acquaintances.

Law enforcement officials said the privilege is needed to protect the security role of agents trained to stay close enough to presidents to block an assassin's bullet, a proximity that means they are close enough to hear official and unofficial secrets.

The new privilege, the officials said, could be invoked by the Treasury secretary, unlike the long accepted doctrine of executive privilege, which is meant to protect internal policy deliberations and may only be asserted by the president.

But the legal advocacy of the two cabinet departments in behalf of the president seemed to provide fresh fodder for Mr. Clinton's critics by appearing to provide him with a powerful defensive weapon that bars Mr. Starr from pursuing his criminal investigation deeper into the security cocoon that envelops the president and the White House.

Michael McCurry, the White House spokesman, said Tuesday that Mr. Clinton took no position on the issue.

"The president, as the one who is protected, along with his family, believes that it is an issue that ought to be dealt with by the Secret Service," by the Treasury Department, with the Justice Department acting as the attorney for the Secret Service," Mr. McCurry said.

Secret Service agents have never testified against a president.



Mary Ann Wyruch of the immigration service with the new high-tech card.

## Aliens' New Green Card Aims at Counterfeiters

By William Branigan  
Washington Post Service

WASHINGTON — The Immigration and Naturalization Service has unveiled its latest high-tech, fraud-resistant green card and begun mailing the first 50,000 to new legal immigrants.

For the first time in more than 30 years, the card denoting U.S. permanent immigrant status actually is green — at least in part — thanks to a stripe on the back that bears its new official name: "permanent resident card." Previous versions, officially called "alien registration receipt cards," ranged from pale blue to pinkish.

For the immigration service, however, by far the most important aspects are security features, some of them secret, that make the card difficult to counterfeit. These include embedded digital images, multifaceted holograms, "laser etching" and the "microprinting" of portraits of the country's 42 presidents plus the flags of the 50 states.

There also is an optical stripe on the back of the card that contains the holder's digitally encoded photo, fingerprints and biographical information,

which can be read only by a special scanner. The card, issued as evidence of authorization to live and work in the United States, "is now one of the most sophisticated, counterfeit-resistant documents produced by the federal government," the agency said.

The card represents "a major milestone" in efforts to combat document fraud and assist employers in identifying valid cards more easily, said the agency's commissioner, Doris Meissner.

The estimated 10 million holders of the old green cards will not be required to surrender them immediately, but will be issued new cards as their current ones expire. Cards issued since 1989 are valid for 10 years. Several hundred thousand cards issued earlier have no expiration date.

A new high-tech card was necessary, the agency said, because of widespread document fraud. Counterfeiters have produced hundreds of thousands, if not millions, of fake green cards to allow illegal immigrants to obtain jobs in the United States, according to officials. Some of the better ones sell for as much as \$15,000, they said.

## Disks of Dust, and the Birth of Planets Gassy Swirl Around Star Shows Evidence of Sphere Formation

By John Noble Wilford  
New York Times Service

NEW YORK — Astronomers exploring celestial life cycles have caught glimpses of stars in birth and in death. They are well acquainted with the sun as a star with a family of planets, and in the last three years they have learned that other stars also have planets. Now, broadening their perspective, astronomers think they are seeing strong evidence of planets forming around young adult stars.

New observations reported Tuesday not only appeared to fill a critical gap in the study of how planetary systems are born and evolve, but also suggested that planets may be common in the universe. That, in turn, would seem to increase the prospect that life exists elsewhere.

Studying the images in infrared and radio wavelengths, astronomers said, was probably like looking at the sun from afar more than four billion years ago, when its surrounding gas and dust were presumably coalescing into orbiting spheres.

Two teams of astronomers, working independently last week at telescopes in Chile and Hawaii, reported that they had observed a disk of gas and dust swirling around a star 220 light-years away, in the constellation Centaurus. The most striking aspect of the disk is that it has a hole in the middle. The most likely interpretation, scientists said, is that this

empty region has been swept clean as material has been pulled into newly formed planetary bodies.

The astronomers said this was the clearest manifestation yet of a new planetary system's emerging around a young star. The star, known as HR4796, is about 10 million years old and has about twice the mass of the sun. The doughnut-like hole in the dust disk is estimated to be slightly larger than the distance between the sun and Pluto, usually the outermost planet in the solar system. The outer disk extends out more than twice the distance of the empty inner disk.

"This may be what our solar system looked like at the end of its main planetary formation phase," said Michael Werner, an astronomer at the Jet Propulsion Laboratory in Pasadena, California.

The discovery was announced at a news conference at the National Aeronautics and Space Administration in Washington. Mr. Werner is a member of the NASA team of astronomers that observed the phenomenon with a sensitive infrared camera at the Keck Observatory atop Mauna Kea, on the island of Hawaii.

On the same night, April 16, another team of astronomers detected the same evidence of likely planetary formation from infrared images made at the Cerro Tololo Inter-American Observatory in Chile. The observations were made by scientists from the Harvard-Smithsonian

Center for Astrophysics in Cambridge, Massachusetts, and the University of Florida at Gainesville.

"We haven't actually detected any planets," said Lee Hartmann of the Harvard-Smithsonian center. But infrared pictures, Mr. Hartmann said, "show that the cloud is indeed a disk, so that the hole could be cleared out by the gravity of one or more inner planets."

The findings of both groups are expected to be described soon in the Astrophysical Journal Letters. New infrared cameras, one built at the Jet Propulsion Laboratory and the other at the University of Florida, were crucial to the discoveries.

Astrophysicists have long theorized that planetary systems developed out of broad, flat disks of dust left over from a star's formation. Such a disk was first examined in detail in observations of Beta Pictoris, beginning 14 years ago. Most astronomers came to assume that the disk was a protoplanetary system.

Mr. Werner said the new observations were much more conclusive because astronomers were more certain of the young age of HR4796 than they are of Beta Pictoris; 10 million years is thought to be about the right age for planetary formation. In addition, the new infrared cameras can see into the fringes of the star itself, revealing the broad extent of the cleared inner disk; the full extent of the hole could not be detected in images of Beta Pictoris.

### POLITICAL NOTES

#### Insult to Clinton Sparks Dispute

WASHINGTON — A bitter dispute has erupted in the House Government Reform and Oversight Committee over a description by its chairman, Dan Burton, of President Bill Clinton as a "scumbag." And his decision to make public audiotapes of prison telephone conversations of the former associate attorney general, Webster Hubbell.

In a letter to Attorney General Janet Reno released Tuesday, Representative Henry Waxman of California, the committee's ranking Democrat, said Mr. Burton's plan to release the tapes of Mr. Hubbell's phone calls constituted both an abuse of congressional power and a "reprehensible" invasion of Mr. Hubbell's privacy. Mr. Waxman asked Ms. Reno to object to the release of the tapes, which the Justice Department provided to the House panel.

Mr. Waxman also circulated a letter to other House members in which he quoted comments Mr. Burton made last week to the editorial board of the Indianapolis Star. According to the newspaper's account, the Indiana Republican said of Mr. Clinton: "If I could prove 10 percent of what I believe happened, he'd be gone. This guy's a scumbag. That's why I'm after him."

#### Setback for Education Agenda

WASHINGTON — Dealing a substantial blow to President Bill Clinton's education agenda, the Senate has rejected a White House proposal to provide more than \$3 billion in federal subsidies over five years to help renovate crumbling school buildings around the country. The Republican-controlled Senate also shot down a sep-

arate, Clinton-backed proposal to help finance the recruitment of an additional 100,000 teachers in an effort to reduce class size.

The two votes Tuesday signaled that central elements of Mr. Clinton's education agenda were essentially dead for the year. (LAT)

#### Foes Retreat on Finance Bill Vote

WASHINGTON — Retreating under pressure, the House Republican leadership offered on Wednesday to allow comprehensive campaign-finance legislation to come to the floor for a vote.

The offer came as supporters of changes in the campaign-finance system continued to collect signatures on a petition designed to force the issue to the floor.

One senior Republican, speaking on condition of anonymity, said the House speaker, Newt Gingrich, and other members of the leadership had offered to "let the House work its will" on the contentious issue.

No details were immediately available about the precise terms that Mr. Gingrich had offered the Republican lawmakers demanding a vote on the issue. (AP)

#### Quote/Unquote

President Bill Clinton, celebrating Earth Day on Wednesday with a visit to the Appalachian Trail near Harpers Ferry, West Virginia, where he and Vice President Al Gore lent a hand to a restoration project, carrying heavy rocks and planting vegetation: "I'd like to stay out here with them the rest of the day. It's great work." (AP)

## Impotence-Fighting Pill: Demand Might Turn Off Insurers

By Justin Gillis  
Washington Post Service

WASHINGTON — As thousands of men besiege their urologists demanding to try a new \$10 pill that treats impotence, insurance companies and big employers find themselves confronting a thorny question: Are they going to pay for it?

Most of them do not know yet, and the final answer will depend in part on whether doctors exercise restraint in prescribing the drug. Some doctors say they are getting

calls from patients who are not impotent but want to try the drug, Viagra, to see if it improves sexual performance.

Most of the doctors say they are resisting because Viagra could pose unknown risks. They say it is all they can do to see long-time patients and men with clear-cut impotence. At a Georgetown University clinic, the phone system had to be adjusted to handle a flood of inquiries — "press 3 for Viagra" — the waiting list has topped 300. "In the 20 years I've been involved in urology, I've never

seen anything like it," said James Regan, the head of Georgetown's Erectile Dysfunction Treatment Program. "If we were in the military, I think we would call in and say our position is being overrun."

If initial demand lasts, Viagra could become the biggest-selling drug of all time. At \$10 a pill, and if men use it twice a week, and the drug is taken by 5 million men — a figure some urologists expect to be on the low side — Viagra's retail sales would exceed \$5 billion a year in the United States. A drug is defined as a

blockbuster if it brings in \$1 billion a year worldwide. The stock of Pfizer Inc., the drug's manufacturer, has soared.

Unanswered is whether the drug can enhance sexual performance. Pfizer says it does not know.

Some urologists say they suspect, however, that Viagra will indeed improve sexual performance in middle-aged or elderly men with relatively normal function, giving them the sort of sexual vigor they enjoyed at age 19 or 20.

For now, men who present their insurance cards at drug-

stores to pay for Viagra are having no problems. But several national insurers and industry consultants said it was an open question whether this would continue.

If most prescriptions are indeed being written to treat clinical impotence, insurers are unlikely to balk. In fact, many of them could wind up saving money. Some of the older impotence treatments, such as penile implants, involve surgery that could cost \$15,000 to \$20,000.

If it turns out, however, that Viagra use becomes wide-

spread among men who do not really need the drug, insurers are likely to start demanding medical proof before they will pay.

"Maybe some people would rather have this than a Lexus," said Helen Darling, a benefits analyst with Watson Wyatt Worldwide, a consulting firm. "But they should do it with their own money."

### Away From Politics

• The Supreme Court, in rejecting a sexual-equality challenge, upheld an immigration law that deems children born out of wedlock and outside the United States automatic U.S. citizens if their mother is American, but requires more if only their father is American. (AP)

• A 16-year-old boy was pinned down and blinded by gougues in a melee after he went to watch a friend fight a rival over a girl. The police in Richardson, Texas, said the original tussle was between two boys but that others, including Jason Prickett, the victim, got involved. (AP)

• A Honduran citizen, Jose Roberto Villafuerte, 45, was executed by injection Wednesday in Florence, Arizona, despite pleas from his government that he was denied rights. He had been convicted of killing a woman in 1983. (AP)

### AMERICAN TOPICS

#### Women Are Packing a Punch

Women's boxing, once disdained as more spectacle than sport, something for carnival sideshows, is catching on in a big way. The ranks of female boxers, both amateur and professional, are swelling, and gyms across the United States are filled with women enjoying the rigorous cardiovascular workout and adrenaline rush that boxing brings. The Washington Post reports.

After a lawsuit opened the national governing body, USA Boxing, to women in 1993, the Amateur International Boxing Association followed a year later. Today, 900 women belong to USA Boxing, a 164 percent rise in 16 months.

"The novelty has definitely worn off," said Sandy Martinez-Pino, head of the women's boxing committee for the Amateur International Boxing Association. "People realize these women are very, very serious and not in there just to look cute."

At the Olympia Boxing Center in Falls Church, Virginia, near Washington, nearly half the athletes are women. More than 80 percent of them never climb into a ring, preferring a tough aerobics workout.

But then there are those like Joni Ruff, 26, an amateur who has been boxing for three years. "When I started I didn't even think about sparring," she said. Then she realized that "there's only so much you can learn throwing punches at the bag," can learn throwing punches at the bag. Ms. Ruff, a law student at American University, had always wanted to be a criminal defense lawyer or an FBI agent — or, she now adds, a professional boxer.

#### Short Takes

The arrest of a 10-year-old boy in Miami for kicking his mother during a family spat has prompted a judge's lament that juvenile justice policies "completely obliterate common sense."

Andrew Perkins was handcuffed, charged with battery and held overnight after an incident at a restaurant where the family was eating. The police were called after Andrew's stepfather, Joe Martin, took the boy outside the restaurant because of the kick. Officers said they feared the violence would escalate, though the family's lawyer denies the boy was being beaten.

Andrew's mother, Arlene Martin, said she was "completely shocked" by the arrest. So was Circuit Judge Thomas Petersen, who said he expected all charges to be dropped.

School administrators across the country have been taking a tougher stance on in-school kissing and embraces, the so-called public displays of affection that students now refer to simply as PDAs.

Some principals have installed zero-tolerance rules — no kissing, no hand-holding, and students must remain at least 6 inches (15 centimeters) apart. Generally a PDA violation brings a simple scolding, but the consequences can be more severe.

In February, two teenagers were expelled from a Roman Catholic school in Frederick, Maryland. They said they were just kissing, but a teacher called it heavy petting.

The students' parents sued the school, claiming discrimination against the black teenagers by the mostly white school. The case was dismissed, but the teenagers have not returned to school.

Brian Knowlton

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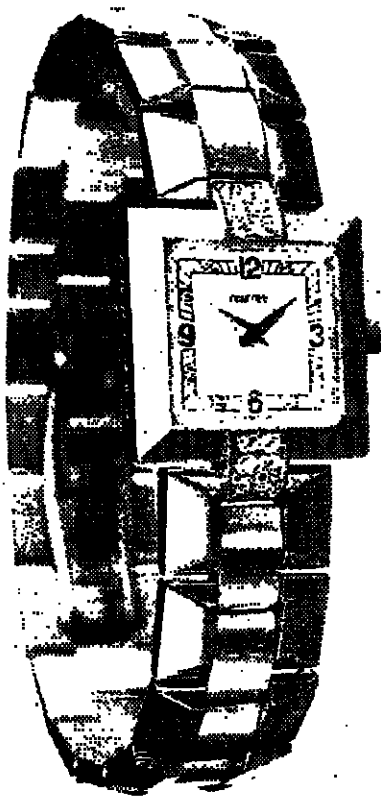
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## Arabs Sign Pact Against 'Terrorism'

Mr. Mitterrand gave a step-by-step account of French ties with Mr. Habyarimana between 1990

It has been alleged that France backed and armed the Hutu regime regardless of rights abuses up to 1994 and supplied training and weaponry even after the beginning of the genocide.

**By Thomas Fuller**  
*International Herald Tribune*



**Gabriella Fredriksson, a Dutch researcher, with a sun bear she recently tagged and released in the jungle.**

Hundreds of these big orange-haired apes have died as a result of the fires and drought now gripping the island. The Balikpapan Orangutan Sanctuary

Reintroducing captured animals into the wild is a complex task. Orangutans, for instance, cannot be released into areas where their wild counterparts already live. The newly released apes often spread diseases picked up from

This incompatibility between wild and captured orangutans, which Miss Fredriksson says also applies to sun bears, means that the captured animals are usually released in small, protected parks. But the gene pool in these small parks is not big enough for an orangutan population to sustain itself.

**Reviews**

The radio broadcast the government's warning against Hutu militiamen "still bent on pursuing genocide."

Four years after the genocide, the Rwandan government says many of those responsible are still at large and are behind a bloody insurgency by Hutu rebels in parts of the country.

**By Barbara Crossette**  
*New York Times Service*

The monastery and temple, built on the face of a 760-meter (2,500-foot) cliff above the road from Paro in Bhutan to the Tibetan border near Mount Chomo

"It was one of our most sacred monasteries," said Tashi Tsering, a Bhutanese diplomat at the kingdom's UN mission. He said the monastery-temple

Although entry to the inner shrine was barred to most non-Buddhist foreigners, the mountainside was a place of

gone." A caretaker, the only monk in residence at the time, was missing, Mr Dorji said. But there were no other reports of casualties.

**GENEVA —** The United States and the European Union upbraided Algeria on Wednesday for failing to admit UN envoys investigating allegations of summary executions and torture during the six-year Is-

Ambassador Nancy Rubin, the head of the U.S. delegation to the human rights commission, said Washington noted with "great regret" that the Algerian government had refused to take such a step toward cooperation. (AFP)

**COBAN, Guatemala** — For the first time in Guatemalan history, a group of soldiers has gone on trial for a massacre.

and almost derailed government-guerrilla peace talks aimed at ending more than three decades of civil war.

The former lawyer of a disgraced Mexican general involved in the drug trade has been shot to death, police in Jalisco state said Wednesday. They said Tomas Arturo Gonzalez, who had represented General Jesus Gutierrez Rebollo, was shot four times by an unknown assassin. General Rebollo was jailed on charges he protected a drug cartel. (AFP)

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EUROPE

# 'More Confusion On French Right Vote on Euro Stymies Chirac Party'

By Craig R. Whitney  
New York Times Service

PARIS — The identity crisis wracking President Jacques Chirac's conservative movement deepened Wednesday with a tortured decision by his party to abstain from a parliamentary vote in favor of French participation in the common European currency that Mr. Chirac and other European leaders will formally approve in Brussels next month.

Barely a week after Mr. Chirac made an unusual public call for French support for the project, insiders said that he and leaders of his Rally for the Republic agreed Wednesday to ask its members to abstain from voting on a motion of support for the new currency, the euro, introduced by Prime Minister Lionel Jospin's Socialists.

"The position of the group is very clear: Yes to the euro, yes to Europe, no to the policy of Mr. Jospin and the trap he wants us to fall into," said a conservative leader, Jean-Louis Debré, as he emerged from the caucus before the vote.

After heated discussions, the conservatives decided to censure Mr. Jospin's economic policies instead of voting against the euro measure, as they had earlier planned to do.

Some conservatives said they were afraid of falling into a trap set by the National Front, the extreme-right party that is in clearest opposition to surrendering French monetary sovereignty to the euro.

Alain Juppé, Mr. Chirac's closest associate and his prime minister from 1995 to 1997, argued unsuccessfully for a vote for the euro resolution along with the motion of censure.

Many conservative leaders, including Mr. Chirac, have been skeptical about the currency project in the past.

Others have blurred the line separating them from the extreme right by accepting support from the National Front to hold onto power in regional assemblies after they lost ground to the Socialists in elections last month. One of them, Charles Millon, a former defense minister, was booed by Socialist and Communist deputies when he showed up for the vote in Parliament on Wednesday.

The resolution backing the euro passed easily with the support of the Socialists and the Union for French Democracy, a conservative grouping that expelled Mr. Millon for accepting National Front support to remain in power as president of the regional Rhone-Alps assembly. Last weekend in Lyon, he announced the formation of his own party.

In all the maneuvering, there is a growing sense that the parties of the center-right have lost sight of where they really stand on many issues, not just on the euro.

Mr. Jospin had his own problems with the Communists and a smaller leftist group, both of whom have ministers in his government but voted against the resolution on the euro because they wanted a referendum to have the last word.

But both groups, the Communists and Interior Minister Jean-Pierre Chevènement's Citizens' Movement, signaled their moves long in advance.

That fact only highlighted the confusion in conservative ranks, which began after elections that Mr. Chirac called last year in hopes of winning a new electoral mandate brought Mr. Jospin and the Socialists to power instead.

With many conservative leaders wondering what message they should try to put across, the crisis spread earlier this month to Paris. Mr. Chirac's stronghold for the 18 years he was the mayor before he finally won the presidency in 1995.

One of Mr. Chirac's oldest political allies, Jacques Toubon, challenged Mr. Chirac's handpicked successor as mayor, Jean Tiberi, leading 30 defectors from the conservative majority in the 163-member Paris city council early this month into a new political group.

Its announced aim is to make municipal government "more democratic and aboveboard."

Mr. Tiberi, denouncing the move as "a crude and unacceptable maneuver," dismissed more than a dozen deputy mayors who joined the rebellion, but met with Mr. Toubon on Wednesday in an attempt to ease the rift.

Mr. Tiberi's supporters take heart from the city's seal, a ship under sail and the Latin motto *fluctuat nec mergitur*, meaning that though the vessel may at times be awash, it never actually goes under.

But with the French mainstream right also far from united on whether trimming the welfare state would encourage business to hire more employees and bring down the 12.3 percent unemployment rate, Mr. Jospin and his Socialists, vowing to protect the welfare state's benefits, are riding high in the polls.

The National Front, which has won about 15 percent of the vote in recent national and regional elections and is led by Jean-Marie Le Pen, argues that unemployment could be reduced if millions of foreign immigrants, some of whom have lived in France for decades, were sent back to their original countries.

With elections to the European Parliament scheduled next year, Mr. Chirac and Mr. Jospin are studying ways of changing the electoral system to make it harder for protest parties like the National Front to make gains at the expense of mainstream groups.

"Every day, we meet voters who talk to us only about the National Front," said Nicolas Sarkozy, a conservative leader. "We don't want to leave the field of opposition to them alone."

## Blair Confirms Nuclear-Fuel Report He Defends Willingness to Accept Material From Reactor in Georgia

By Warren Hoge  
New York Times Service

LONDON — Prime Minister Tony Blair confirmed Wednesday a report that Britain had agreed to an American request to store and reprocess in Scotland nuclear material from an old Soviet reactor. He defended the decision in the House of Commons against an outcry from political opponents, environmental groups and Scottish interests.

The New York Times report said that highly enriched uranium and spent nuclear fuel would be removed from the reactor outside Tbilisi in the former Soviet republic of Georgia and flown to Britain this week by U.S. Air Force planes.

American officials have been concerned that if left in Georgia, the material could fall into the hands of Chechen gangs, Iran or other aspiring nuclear powers.

The British volunteered to accept the cache after the Clinton administration was rebuffed by the French. The White House chose not to move it to the United States out of concern about legal challenges from environmentalists there.

Mr. Blair said the decision to accept the fuel was in keeping with Britain's commitment to nonproliferation and he dismissed charges that his government had intended to keep the shipment secret. The government could not announce it beforehand, he told Commons. "Since the reasons for this is the fear that rebels take over the civil nuclear reactor," he assured the legislators that the

government had prepared a formal notice to Parliament that was to have been made public once delivery was completed.

Gary Streeter, a Conservative opposition member, challenged this, saying, "Can you really tell us, hand on heart, if the news had not leaked, the prime minister was really going to announce it at all?"

Pleading for considering the case in perspective, Mr. Blair said that the reprocessed spent fuel would result in two drums of intermediate-level nuclear waste and that there were already 14,000 such drums at the plant in Dounreay, Scotland.

He added that it was "quite wrong" to suggest that Britain was alone in taking such action, noting that the United States had taken highly enriched uranium from Kazakhstan and Russia had taken some from Iraq since the Gulf War in 1991.

Dr. Ray Nelson, director of the plant in Scotland, said that the most dangerous part of the package, the spent fuel, could not be reprocessed immediately because the plant was being "modified" to bring it up to safety standards. He estimated that the material might have to be stored as long as two years.

"Yes, it's potentially dangerous, but it's certainly much safer here than it would be in Georgia," he said.

The Liberal Democrat environmental spokesman, Matthew Taylor, lamented a situation "with Americans apparently refusing to have it themselves but managing to persuade without any difficulty the British government to take on something they won't accept."

Alex Salmond, leader of the Scottish National Party, attacked the Blair government for keeping such a serious matter confidential.

"What we resent is the fact that the people of Scotland have to find out from The New York Times that our country is to be used as a nuclear dumping ground," he said.

Donald Dewar, the government's Scottish Secretary, protested this characterization.

"We are not being used as a dumping ground," he said, "we are taking on board our international obligations and living up to them."

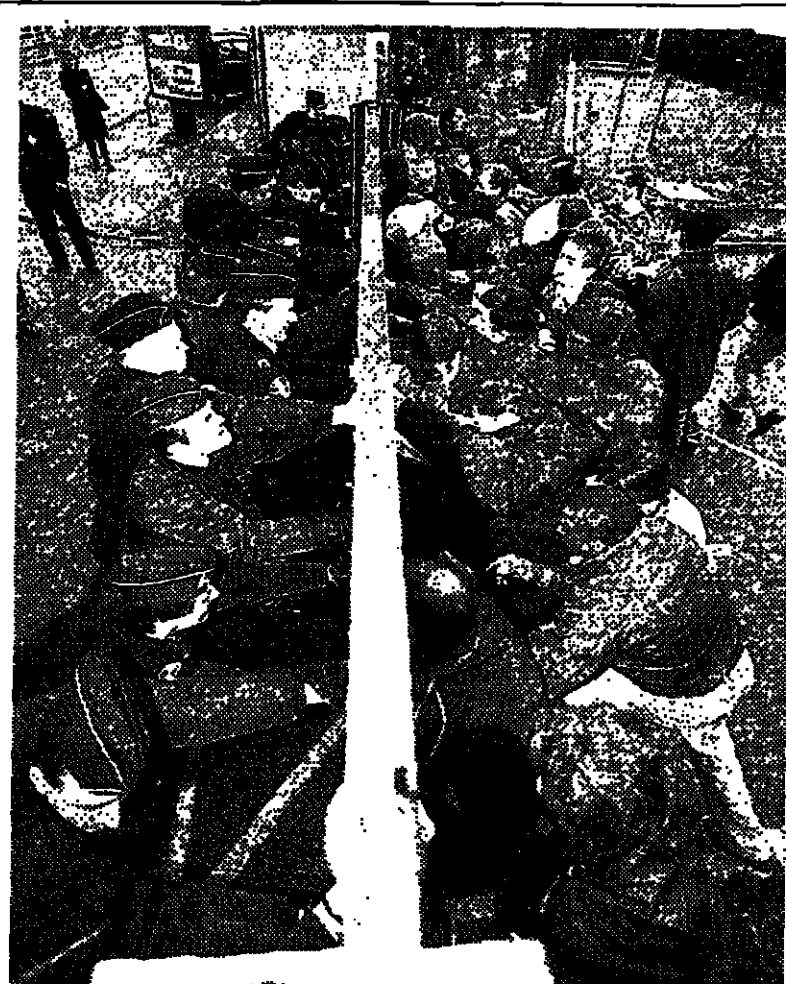
Doug Henderson, a deputy foreign minister, told the Commons that the majority of the load — highly enriched uranium — would be used to produce medical isotopes vital for diagnosing and treating cancer.

The amount involved will permit the manufacture of 5 million cancer treatments, he said.

Dr. Dominick Jenkins, spokesman for the Friends of the Earth, complained that "Bill Clinton and Tony Blair pour praise on each other but the price is that Britain becomes the world's nuclear dumping ground."

Speaking on the BBC, Robin Cook, the foreign secretary, said, "If this material was to be used in a nuclear weapon in the Middle East, then Britain and Europe would get far more than one percent of the actual radioactive fallout."

"Therefore," he concluded, "taking one percent of the problem is not a bad bargain from our point of view."



LAW AND DISORDER — French policemen, left, pushing on a gate to enter the Bois d'Arcy prison near Paris on Wednesday while, on the other side, striking guards were pushing to hold them out.

## Turks Plan Yilmaz Inquiry

ANKARA — The Turkish Parliament voted Wednesday to investigate Prime Minister Mesut Yilmaz's personal finances, a move that jeopardizes his government.

Deputies from a leftist party that usually supports Mr. Yilmaz's minority coalition cabinet from outside the government switched and backed an opposition motion seeking the inquiry.

If a committee report to be prepared within two months accuses the prime minister of corruption in accumulating assets and if Parliament's general assembly upholds the report, a trial will be held in the constitutional court.

Under the constitution, any member of Parliament convicted by the constitutional court is barred from politics. (AFP)

## Bodies Removed in Bosnia

SARAJEVO, Bosnia-Herzegovina — International forensic experts found evidence that bodies of missing Muslims had been removed from a mass grave site where some of Bosnia's worst massacres occurred, officials said Wednesday.

Earlier this week, international investigators began exhuming mass grave sites near Brnica, 85 kilometers (53 miles) northeast of Sarajevo.

"This does appear to be a disturbed site," said Kelly Moore, a spokesman for the UN war crimes tribunal based in The Hague.

Exhumations in the last two years have proved that bodies have been removed from numerous sites in territory held by Bosnian Serbs.

"However, we do continue excavating the entire area," Miss Moore said in a phone interview from the grave site. "We have collected valuable evidence that is going to assist investigators in their work."

She refused to speculate about who removed the bodies and to what extent.

The Brnica site was expected to contain hundreds of bodies of people killed in 1995, when Bosnian Serbs overran the eastern Muslim enclave of Srebrenica. Up to 7,000 people from the enclave, mostly men, are missing and presumed dead. (AP)

## 'Mad Cow' Kills Vegetarian

LONDON — A woman who became a vegetarian 12 years ago has died of the human form of "mad cow" disease, her family said Wednesday.

Doctors diagnosed Clare Tomkins, 25, with the new strain of Creutzfeldt-Jakob Disease in August.

Ms. Tomkins stopped eating meat a year before the first case of bovine spongiform encephalopathy, or "mad cow" disease, was recorded in Britain in 1986.

"When we told doctors Clare had been vegetarian since 1985, there were a few raised eyebrows," her father said after she first was diagnosed. "They were very, very surprised." (AP)

## Mir Module Motor Replaced

MOSCOW — Two Russian cosmonauts aboard the Mir space station installed a vital new motor on their craft during a more-than-six-hour space walk Wednesday, the mission control center said.

The Mir commander, Talgat Musabayev, and an engineer, Nikolai Budarin, did the work.

The new 700-kilogram (1,540-pound) motor on the Kvant module was needed to keep Mir pointing at the sun, its source of energy.

It replaces one that broke down and was dumped into space Saturday. Mir has been in orbit 12 years.

The sortie into space was the fifth this month for the cosmonauts. An American cosmonaut, Andrew Thomas, remained inside Mir to film the space walk and to handle communications with his colleagues. (AFP)

## Spain Turns Its Ghost Towns Into Laboratories

By Al Goodman  
New York Times Service

GRANADILLA, Spain — The towering stone castle defended this walled hilltop village for five centuries but it was no match for the government, which built a large dam, flooded the surrounding farmland and made Granadilla a ghost town.

The last of the 1,000 residents left in 1965, when Granadilla still had no electricity or indoor plumbing. Pillagers then replaced villagers.

But in 1984 the government resurrected the town, 290 kilometers (180 miles) west of Madrid, as a base for teaching urban high school students about rural life.

Since then, groups of students have come for a week at a time to cut wood, bake bread and tend animals. During breaks they scramble up the castle's narrow winding stairway to the parapet, to shout to people below or to smoke cigarettes.

Granadilla is not typical of Spain's estimated 900 ghost towns.

Most were dirt-poor villages that slowly bled to death starting in the 1930s as most of Spain's agricultural workers left for better-paying jobs in the burgeoning cities.

But lately a highly urbanized and far wealthier Spain, with a per capita income three times that of 1965, has been taking a new look at its ghost towns and several thousand other villages. The Granadilla program, once unusual, is now part of a trend to protect, and experience, rural life.

The signs of change are abundant. Ghost-town property prices are rising. Various

hamlets suffering population loss have offered cash incentives to retain families with young children. And hundreds of country inns in restored village buildings have opened in the 1990s, attracting tourists who want an alternative to Spain's often crowded beaches.

"People see something they lost; now these lands have sentimental value," said Carmen Ibanez, who teaches the students who visit Granadilla about traditional spinning and weaving, using wool from local sheep.

The purpose of the Granadilla program, said Jose Ramon Gonzalez, a director, "is not for people to return to live in the villages, but to know about their past."

Yet some Spaniards are returning, at least to make second homes.

Miss Ibanez's father recently retired as a business executive in Madrid and lives part of the year in his nearly deserted native village in Castile.

Antonio Ruiz, a Madrid architect who was in Granadilla to supervise the renovation of a few buildings, said he had spent many weekends with his wife looking for a ghost-town house he could renovate.

"Forget the apartment on the beach, because it's massively overbuilt," said Mr. Ruiz, 36. "People are looking for tranquility and to feel what their grandfathers felt."

He is learning, however, that tranquility does not come cheaply. A house with-out a roof and with crumbling stone walls on a small plot of land could be bought for the equivalent of \$1,000 in the

early 1990s in ghost towns an hour or two from Madrid. Now, Mr. Ruiz said, it is hard to find the same kind of property for \$13,000.

Seventy-five students in Granadilla were recently enjoying the fruits of ghost-town restoration. Since 1984 the government has spent \$5.5 million here to repair the city hall, the house once used by the local priest and 18 other buildings for use as classrooms, a mess hall or dormitories, although dozens of structures are still in ruins.

The students spruce up the gardens, survey solar panels installed in the village and

discover the downside to village life. "Don't go in there," warned Sonia Lopez, 15, from Guadalupe, pointing to the covered sheep pen. "It smells. You'll faint."

The invading Moors founded Granadilla in the ninth century and later lost it to the Christians, who built the castle in the 15th century. In 1955, the government decided to dam the Alagon River in the valley below the village to generate electricity and irrigate distant fields.

The completion of the dam in 1962 was the death knell for the village, which was taken over by the govern-

ment. But since 1984 Granadilla and two other restored ghost towns in northern Spain have been used by 80,000 students in the government's village education program.

Many of the recent visiting students in Granadilla had small-town roots and spoke with pride about exploring the native villages of their parents or grandparents.

Yet, despite the engaging lessons of Granadilla, few students expressed a desire to abandon urban comfort and move to a village, ghost town or not.



"I like the city more, because I'm accustomed to the stores and schools," said Leticia Ribera, 15, who was wearing a New York Yankees baseball cap bought in her provincial city of Pineda.

"For five days this is fine, but I wouldn't want to live here."

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## Trib Tech

## Traditional Retailers in Cyberspace Find It Lonely Without Customers

By Jennifer Steinhauer  
New York Times Service

NEW YORK — Executives at Saks Fifth Avenue were a bit dazed in the autumn of 1996 when Time Warner Inc. offered them space on an Internet "mall" for less than \$100,000. It seemed like the right partner and the right time to try selling on the World Wide Web.

But once on Time Warner's Dreamshop site, Saks sold only one \$2,000 suit and some candy. By last month, Dreamshop was no more, and Saks has shelved plans for another commerce site.

The company will use the Internet to give investors information, but Saks executives have concluded that cyberspace is not conducive to selling the high-priced, high-touch goods they specialize in, such as soft, silky scarves and buttery leather purses.

As an industry, on-line retailing may be picking up steam, reaching \$3.7 billion in sales by the end of last year on the strength of books, music CDs, computers and other goods that buyers do not need to pick up or try on to decide what they want.

But for Saks and many other traditional merchants, cyberspace seems downright inhospitable, a place without shelves or aisles — or revenue. In most cases.

Maybe most alienating to the old-line merchants, the on-line people do not even speak the language of retail. "They talk in terms of 'hits,'" said Sheri Wilson-Gray, Saks' executive vice president of marketing. "But I don't know what that means in terms of the customer. I feel pretty confident in the judgment that there will not be major apparel transactions with a Saks customer in the short term there."

For the past two years, an avalanche

of press releases, news reports and buzz has proclaimed the Internet the great electronic bazaar that defines the future of commerce; any merchant left behind would surely perish.

But the truth is that retail stores are struggling mightily to build a path onto the Net from the bricks and mortar that for the last century have defined their selling space. Few if any have made money on the Web, and many are still struggling to decide how to use the medium — or whether they belong on-line at all.

At the same time, they are hearing footsteps. Several large retailers — notably the bookseller Barnes & Noble — have already seen their turf invaded by Internet start-ups such as Amazon.com. The start-ups usually have the advantages of knowing the quirks of electronic commerce and being small and agile enough to turn on a dime as on-line technologies and demographics shift. And they are free of the distractions of simultaneously competing in traditional retail.

"The Internet is a new channel, and they are all out there exploring it," said Don Gilbert, senior vice president for information technology at the National Retail Federation. "But when you look at what people are buying now, in the grand scheme of things, it is not a significant part of their revenue stream."

Despite the seemingly impressive sales figures for electronic commerce so far, only 15 percent to 20 percent of that revenue went to on-line sites of conventional retailers, according to Piper Jaffray Inc., a Minneapolis-based investment company. Most were run up in the travel and financial-services industries,



Ms. Wilson-Gray says the Web is not conducive to selling Saks' high-end goods.

in business-to-business sales or in retail niches that existed only on-line.

"Retailers are way back on the prairie, their wagon wheels are covered with mud, and they are not going anywhere," said Laura Berland, an executive vice president at ORB Digital Direct, an on-line commerce consulting firm. "It is very new technology, it is very expensive, and it wrenches at the heart of corporate culture."

Some of the frustrations retailers have encountered on the path to cyberspace are part of the medium's birth pains. But there are also other causes, including the retail industry's traditional unwillingness to spend money on untried technologies

and the failure of many companies to understand the profoundly different ways that people shop on-line and in stores.

"The Internet scares the pants off of these guys," said Kate Dalhagen, a senior analyst at Forrester Research in Boston.

Yet retailers who stay on the sidelines, she predicts, will almost certainly lose business to on-line enterprises.

Still, retailers' resistance is understandable. The Internet, for all its convenience, is still largely not a pleasant place to go shopping for things that require any sort of inspection. Catalogues offer much better representations of clothing, colors, the textures of fabrics or the stitching details on a sweater are

much clearer on glossy paper than they are on most computer screens.

What is more, unless a site is exceptionally well designed, clicking around to find items can be frustrating. And when Web traffic is high, as it often is on weekday afternoons and early evenings, on-line shopping can be slower than shopping in a store.

What is trickiest about electronic retailing is learning how consumers shop on-line, which is almost the polar opposite of how they shop in a store. Many people who would browse in a department store and often buy on impulse go on-line with a specific product in mind, find it, buy it and log off — hence the failure of Dreamshop and other on-line electronic malls that attempted to mimic the shopping patterns of real malls.

Nor are many retailers willing to spend the time and money needed to experiment with on-line sales.

For example, Sports Authority, the sporting-goods superstore chain, has a consumer Web site, but it does little more than list store addresses. "We don't see a reason to make much of an investment in the Internet," said Jack Smith, Sports Authority's chief executive. "I don't really believe the Internet is the wave of the future for sporting goods."

Tell that to Brett Allsop, the president of Cedro Group Inc., which runs Sports.com, a compilation of dozens of specialized sporting-goods catalogues whose merchandise is sold through one site. Since the site was begun in September, its sales have grown an average of 52 percent a month, Mr. Allsop said.

Though he declined to disclose total revenue, he said that by the end of the year the site would be generating "seven figures" in sales.

Sports.com got its start through a joint venture with Yahoo! Inc., but it will now finance its growth with venture capital and, eventually, an initial public offering, he said.

Direct merchants such as catalogue companies have had an easier transition to cyberspace than store-based retailers. Wal-Mart Stores Inc., for instance, is commended by analysts for having one of the most sophisticated electronic-commerce sites among traditional retailers.

Unlike most retailers' Web sites, the Wal-Mart site offers even more items on-line than it does in its giant stores. In fact, the site's best-selling products are Roxy watches and Nike T-shirts — items not even found in Wal-Mart stores.

"The transition is not simple," said Phil Martz, the director of Wal-Mart Online. "It is a difficult task to track 1,000 orders a day from different homes, and very different from shipping one case of something to a store and making sure it arrived."

It is not surprising, then, that some retailers have already given up on the idea of selling goods on the Web and use it instead as a marketing medium to drive traffic to their stores.

## SITES

Some well-developed retail Web sites are at:

[www.kmart.com/prodindex.html](http://www.kmart.com/prodindex.html)

[www.ikea.com](http://www.ikea.com)

World retailers with a limited Web presence are at:

[www.marks-and-spencer.com](http://www.marks-and-spencer.com)

[www.bloomingdales.com/bloom/index](http://www.bloomingdales.com/bloom/index)

## BRIEFLY

• **THE CULPRIT IS FOUND:** AT&T Corp. said its recent frame-relay network failure, which disrupted service for thousands of U.S. business customers last week, was due to a software-based problem.

AT&T previously said the problem was related to the interaction between frame-relay switches that affected the rest of the network.

AT&T's chairman, Michael Armstrong, said Monday the company was working closely with Cisco Systems Inc., which provided the switches, on ways to fix the problem. The frame-relay network is a high-speed packet data networking technology used by businesses that need to exchange large amounts of computer information in short and frequent bursts. (Reuters)

• **TIME FOR A SWIM:** A patented pair of swimming goggles with a display that shows pulse and pool lap times might make the endless back and forth seem new again.

Serge Tabo, an inventor from Mission Viejo, California, has designed the goggles with a meter that detects acceleration. The meter can establish when a swimmer starts moving or stops, as well as repetitive motions and turns. The glasses have lenses and a constricting strap to hold them on the head just like ordinary swimmer's goggles. But they have a battery-powered electric display attached to one lens that operates the acceleration meter. A microprocessor screens movements detected by the meter to determine flips or turns. A button near the wearer's temple senses pulse. The display projects the pulse rate, time of individual laps and time for the entire race or session at its end. (NITT)

• **SPIRITUALLY WEBBED:** No real surprise that the Archdiocese of Turin has a World Wide Web site about its current display of the Shroud of Turin — after all, the Vatican has a site, too.

But the Catholics have gone one better by allowing on-line reservations to be made for a viewing of the shroud. You can request a date and time on the site (go to [hnp://shroud.torino.chiesacattolica.it](http://hnp://shroud.torino.chiesacattolica.it) and pick your language), and your request is forwarded by e-mail. Reservations are required.

The site also graphically displays constantly updated information on the current state of reservations and the availability of places for each of the 56 exhibition days, hour by hour. (IHT)

• **ARE WE CONNECTED?:** A survey by the management consultant Price Waterhouse showed that there were only an average of 17 fixed-line telephones per 100 people in Central and Eastern Europe.

Of the operators in the survey, which included Lithuania, Moldova, Macedonia, Romania, Poland, the Slovak Republic and Bulgaria, Bulgaria Telecom had achieved the highest penetration rate at 37 access lines per population of 100, according to the report, which was released Monday.

But the company returned the lowest revenue per line, at \$25 per year, because of inflation, which led to a substantial devaluation of the Bulgarian lev in 1997, the survey said.

The highest revenue per line was delivered by Magyar Telekom, which is 67.2 percent owned by Ameritech Corp. and Deutsche Telekom AG and which returned \$44 per line by 1996. (Reuters)

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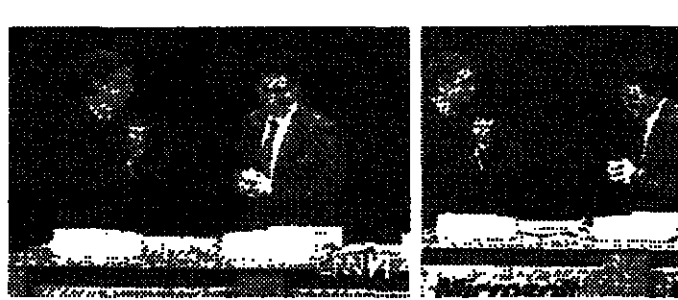
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## ALT / Commentary



Bill Gates, left, and a Microsoft employee during the crash.

Windows 98: Fixes  
And Enhancements

By John Burgess  
Washington Post Staff Writer

WASHINGTON — The first screen you see doesn't look terribly different. There is the "Start" button, the lineup of icons for "My Computer," "Microsoft Network" and others. As you go deeper into Windows 98, now under final development, you run into lots of other familiar features.

Bottom line: The product is a fine-tuning of Windows 95, not an overhaul from the bottom up.

Microsoft representatives are traveling the United States giving previews of the new Windows, and last week I got a demo. While the only reliable way to evaluate new software is to use it for weeks, I walked away from my exposure to it feeling that Windows 98 has new features that will appeal to many people.

Notable are those that ease use of the Internet and fix some of the annoyances that have come with owning personal computers since they were invented.

For the first time I can remember, I got an extended demo of a new program without the person running it having to apologize for a crash. Windows 98 performed briskly and reliably throughout. Yes, it was running on a high-end machine, a 300-megahertz Pentium II with 32 megabytes of memory, but a crash-free demo bodes well.

[Bill Gates, however, was not so fortunate. The Associated Press reported. The Microsoft chairman, the featured speaker at the opening of the Comdex Spring Computer Show in Chicago, was demonstrating Windows 98 on Monday when the system crashed.

"I guess we still have some bugs to work out," he said. "That must be why we're not shipping Windows 98 yet."

[Mr. Gates was forced to move to another computer to complete his demonstration.]

Windows 98 will start appearing in the United States in late June, provided that the company keeps to a recently announced schedule. New computers shipped from the factory will contain it; software stores will sell upgrades for about \$90 to \$110.

This program is predictably a space hog. An average installation, Microsoft says, will take up about 120 megabytes, compared with about 70 for Windows 95.

The company maintains that on the same computer, 98 will run faster than 95 because of code refinements. That is one of many claims we will have to test in the real world.

There's been a lot of press about the Internet features of Windows 98, mostly about whether the Justice Department will sue Microsoft over them.

The claim is that the company has put too much Internet browsing power into what is commonly viewed as a monopoly operating system, unfairly hurting browser companies such as Netscape Communications Corp.

With Windows 98, you get an operating system that can treat data stored on the Internet pretty much the same as data stored on its own hard drive. Click on an icon in the "My Computer" group, and the machine will go to either of the two places it needs to and display it in a way that looks much the same. Of course, it is not as fast if the data are out on the Web — it is always easier to recover material from a hard drive.

There are other Web features. You can call up Microsoft's Internet Explorer browser or Netscape Navigator as separate applications, should you choose.

But in many uses in Windows 98, the distinction between operating system and browser is lost.

John Burgess writes CyberTalk for The Washington Post.

## SITES

Sneak previews of Windows 98 are at:

[www.winuser.com/win98screenshots.shtml](http://www.winuser.com/win98screenshots.shtml)

For \$29.95, you can order a beta version of Windows 98 at:

[www.microsoft.com/windows/promo/win98preview3](http://www.microsoft.com/windows/promo/win98preview3)

A CNN story about the Gates crash that includes a QuickTime movie clip of the event is at:

<http://www.cnn.com/TECH/computing/98/4/20/gates.complex/>

A Distinguished Journal  
Gets Retooled for Growth

By Steve Lohr  
New York Times Service

NEW YORK — At Massachusetts Institute of Technology, where the management term "re-engineering" originated, the unprofitable Technology Review magazine has been re-engineered with a vengeance.

When subscribers begin receiving the May/June issue this week, they will see a radically revamped magazine. Gone from the new format will be stories on food irradiation, overpopulation and living without a car in Boston. The editor, Joan Benditt, who joined the bimonthly last September, has vowed that "nothing will be left of the old magazine except the name." The new focus, said Mr. Benditt, 49, a former editor at Science magazine and Scientific American, will be on innovation and how it is done.

Technology Review, whose distinguished contributors have included Winston Churchill and Thomas Edison, hopes to broaden its appeal, increase its circulation from 92,000 to 200,000 by the end of 1999 and attract new advertisers.

About half of the current circulation of the magazine, which is owned by the MIT alumni association, is to MIT alumni. But in its campaign to lure new readers, the magazine is going after business executives in high-technology companies, venture capitalists and aspiring entrepreneurs, among others.

As it seeks a wider, more business-oriented readership, Technology Review will be competing more directly with successful magazines in the same field, such as Fast Company, Wired and the recently revamped Upside.

To Technology Review's new team and its supporters, the changes are overdue. The catalyst for the shift was financial, they said, noting that Technology Review has lost roughly \$200,000 a year for several years. But they also said that the magazine had become stale, predictable and crotchety.

"The new magazine is shifting to focus on the technology that is, instead of bellyaching about technology, especially the environmental impact of technology," said Victor McElheny, a member of the magazine's board.

Mr. Benditt, in stressing innovation, intends to emphasize the commercial-



Covers new (foreground) and old.

ization of technology — "the process by which technology moves from basic research to application," he said.

Technology Review will concentrate on that process of innovation mainly in three fields: information technology; biomedicine and biotechnology; and material sciences and nanotechnology.

A representative article in the first issue of the redesigned magazine is an examination of how anthropologists at the Xerox PARC research complex in Palo Alto, California, have helped Xerox Corp. design new copying machines by studying how people use technology.

The magazine will publish fewer articles from academic experts and rely more on professional journalists. The payments to freelance writers are increasing sharply, from 50 cents a word or less to \$1 to \$1.50 a word.

The changes are not universally welcomed. Robert Mann, an emeritus professor at MIT and a former member of the Technology Review board, said that he felt the magazine's management had overreacted to its inability to eliminate the magazine's losses quickly.

"Academic institutions often lose money on activities if they are seen to serve the broader interest of the university," he said. "I thought MIT was well served by a magazine that dealt critically with technology and policy instead of celebrating innovation."

## TECHNOLOGY INDEX

A glance at technology stock indexes around the world			
North America	Tuesday close	% change previous week	% change year to date
Pacific Stock Exchange Technology	359.15	+4.17	+23.61
Standard & Poor's Technology Composite	879.19	+5.65	+25.61
Europe			
Morgan Stanley Eurotec	565.23	+1.13	+46.73
Asia			
Telepacific	1772.79	-0.23	+7.82

Source: Morgan Stanley, Bloomberg News

For technology articles from the past week, see the Technology Index on the IHT's World Wide Web site at <http://www.ihf.com>. Articles include:

- Apple's Net Overcharges Again. April 17
- GSM Cell Phones Called Secure. April 17
- U.S. Commerce Secretary Faults Encryption Policy. April 17
- General Cable Accepts Bid by Telewest. April 17
- Race Gap Emerges in Internet Use. April 18-19
- Investment Fraudsters Stalk the Web. April 20
- E-Mail: Another Garden to Tend. And Don't Expect Any Privacy. April 21
- Fresh Data Spur Tech Visa Feud. April 21

To reach Trib Tech editors or to comment on IHT technology coverage, send e-mail to [tribtech@ihf.com](mailto:tribtech@ihf.com)

International Herald Tribune



ASIA/PACIFIC

# 'Asian Crisis Stills Appetite for Arms

Most Defense Budgets Are Being Slashed as Currencies Plunge

By Michael Richardson  
International Herald Tribune

SINGAPORE — Military modernization programs in East Asian countries are being halted or slowed as steep falls in the value of their currencies and increasing pressures for spending cuts force governments to curb arms imports.

Analysts say that this is affecting military training, operational readiness and troop morale, and that the defense curbs are likely to continue biting for the next few years until economic recovery is well established.

Malaysia is the latest country to be hit by the defense squeeze caused by East Asia's financial upheaval. Kuala Lumpur said Tuesday that it was considering further reductions in its 1998 military spending, which had already been slashed by 21 percent, freezing new arms purchases.

The Malaysian move follows similar cuts by Thailand, Indonesia and South Korea in which contracts worth hundreds of millions of dollars for military equipment — mainly from the United States and Russia, the world's two largest weapons' exporters — have been canceled or deferred.

"Last year, Indonesia spent \$3.1 billion on defense," said Gary Klintworth, a defense expert at Australian National University in Canberra. "This year, it has increased the amount in nominal terms by 17 percent, but with inflation and a weak rupiah, the real budget is down by 40 percent or more. That means Indonesia cannot afford to participate in joint exercises with Australia, unless we pay their costs."

He said that South Korea had asked the United States for a reduction in its annual \$400 million bill for sharing the

cost of keeping 37,000 American troops stationed in South Korea. "With the value of the Korean won cut in half, the bill has doubled," Mr. Klintworth added.

After adjustment for inflation and currency depreciation, most countries in East Asia — with the exception of China, Taiwan and Singapore — will be spending much less on defense in the next few years until their economies recover, analysts said.

A year ago, observers were concerned about a possible arms race in East Asia or, more realistically, about the implications of increased military power among the many countries with conflicting territorial and maritime claims in the region.

"Now, they are worried about the inability of many claimants to even monitor activity in disputed areas, which also brings with it fears that those states more capable may take advantage of any potential widening gap in defense capabilities," said Ralph Cossa, executive director of the Pacific Forum CSIS research organization in Honolulu.

Still, the economic squeeze is also forcing much-needed reforms on defense establishments that spent money on projects of dubious value during East Asia's long economic boom.

As part of a plan to reduce overall troop strength and professionalize Thai armed forces, the government in Bangkok said last month that the number of generals in active service — there are 1,400 in a military with 266,000 personnel — would be pared by 75 percent over the next decade.

Syed Hamid Albar, the defense minister of Malaysia, said Tuesday that as part of the Malaysian government's austerity drive, reductions in military spending this year could total nearly 1

billion ringgit (\$266.8 million), compared with 700 million ringgit in previously announced savings.

"Quite a number of our plans we have to re-prioritize," he said when he opened a military exhibition in Kuala Lumpur. "That is why at the moment we are not looking at purchasing new assets."

Analysts said that among the defense purchases deferred by Malaysia were plans to buy additional U.S. and Russian jet fighters, German patrol boats and South African helicopters and armored vehicles.

Thailand has cut its defense budget for 1998 by 35 percent, South Korea by almost 30 percent, and Japan by about 15 percent — its largest reduction since 1945.

To ease the financial burden on Thailand, the United States last month agreed to buy back eight F/A-18 fighters for \$250 million that the Thai air force had signed a contract to buy in 1996, well before the region's currency crisis began in July 1997. The Thai military said it could no longer afford to pay for the planes.

Indonesia said earlier this year that it would delay a planned purchase from Russia of 12 Su-30 fighters and eight Mi-17 helicopters — an order worth about \$650 million.

South Korea has deferred the purchase of expensive battlefield surveillance aircraft, aerial tankers, and attack helicopters, and put plans to build advanced trainer aircraft, submarines and destroyers on hold.

Nicholas Lardy, a senior fellow at the Brookings Institution in Washington who recently spent several weeks in Asia studying the impact of the region's economic downturn on defense spending, said he had concluded that delayed procurements would become increasingly common.

## U.S. Offers to Ease Sanctions on China

Deal Is Contingent on Concessions Over Rights and Arms-Related Exports

By Steven Erlanger  
New York Times Service

WASHINGTON — Encouraged by the release of the noted dissident Wang Dan, the United States is offering to lift some sanctions imposed on China after the 1989 crackdown in Tiananmen Square.

But action will be taken only if China makes additional concessions on human rights, trade and the exporting of dangerous technologies before a U.S.-Chinese summit meeting in late June in Beijing.

Administration officials are expecting additional prisoner releases closer to the time of President Bill Clinton's trip to China. His participation in the Beijing summit meeting is by itself a considerable concession, because he will be the first American president to go to China since the killings of protesters for democracy around Tiananmen Square.

Mr. Wang's release into exile Sunday was part of a deal with the Chinese, reached last month, under which Washington agreed not to support a resolution condemning China at the United Nations Human Rights Commission in Geneva. The Clinton administration is not offering to lift sanctions that ban the sales of arms and crime-control equipment to China.

With the departure of the United States trade representative, Charlene

Barshesky, for Beijing on Wednesday, Washington is pressing for further moves by China to open its markets and reduce tariffs to facilitate Beijing's bid to join the World Trade Organization. But the new, more reformist prime minister, Zhu Rongji, may not be willing to risk market liberalization while he is seeking a way to slim large, state-run enterprises without setting off serious worker unrest.

Secretary of State Madeleine Albright will go to China on Sunday, and she will press Beijing to limit further its exports of sensitive missile, chemical and nuclear technologies and expertise to countries like Pakistan and Iran. Besides the commercial and diplomatic steps the Americans are offering, Washington's greatest bargaining chip is the Clinton trip itself.

"Clinton seems to want his place in history as the president who normalized U.S.-Sino relations in the post-Tiananmen era," said the Washington director of Human Rights Watch/Asia, Mike Jendreyczyk. "But this will require extraordinary cooperation from the Chinese government on human rights, proliferation and other issues."

Although the Clinton administration has given extensive attention to its efforts to limit the spread of nuclear weapons, Republicans in Congress have criticized administration officials for not pushing the Chinese hard enough. The Chinese have rejected American

efforts to have them join the Missile Technology Control Regime, the main international grouping that limits the exporting of missile technology, in return for additional space cooperation and the expediting of American satellite launches, senior U.S. officials say.

Beijing has promised to abide by the missile agreement, but not to join it formally. Of special concern to Washington is the export of so-called dual-use equipment and technologies that could be used by a country that might be trying to develop missiles. Annexes to the agreement list items of such equipment and technology that are forbidden for export.

American officials say they remain extremely concerned about Chinese help for the Pakistani and Iranian missile programs. The officials are also worried that some Chinese companies are helping the Iranian chemical-weapons program. But officials say they are satisfied with China's adherence to promises not to aid the nuclear programs of Pakistan or Iran.

"There is no question that they treat proliferation questions differently now than before," a senior American official said of the Chinese. "There are no cases now, as in the 1980s, when they were handing over the design for small nuclear weapons to the Pakistanis and giving them nuclear fuel. What we worry about now are dual-use items."

Part of the deal that included Mr. Wang's release was a Chinese promise to sign the International Covenant on Civil and Political Rights. But administration officials are concerned over whether it will be signed in time for Mr. Clinton's visit. Tibet is at the top of the human rights list, with Washington hoping China will resume a dialogue with the Dalai Lama. Washington is also supporting efforts to have the Chinese review the cases of hundreds of prisoners jailed for "counterrevolution," which is no longer a crime under Chinese law.

■ Wang Said to Be 'Overwhelmed'

Mr. Wang arrived Tuesday at an airport near New York after leaving a Detroit hospital where a doctor described him as "overwhelmed" by the sudden change in his life since he was freed. Reuters reported from Newark, New Jersey, that he was greeted at Newark International Airport by a crowd of more than 100 reporters, photographers and television cameramen. But he said nothing as he walked through the airport lobby and left in a taxi cab. The former student leader of the 1989 Tiananmen Square democracy movement was scheduled to speak to reporters in New York on Thursday.

## China-Taiwan Talks Resume

Taipei Hopes for High-Level Contacts After 3-Year Hiatus

Compiled by Our Staff From Dispatches

BEIJING — After a nearly three-year freeze in high-level contacts, a Taiwan negotiator said Wednesday he was hopeful that two days of talks in Beijing would reopen a dialogue with China.

"If from this day forth both sides can work together with the utmost sincerity, we will be able to bid farewell to the cold of winter and usher in a new spring," the negotiator, Jan Jyh-hong, said after his arrival in Beijing.

China ended talks on practical matters in 1995, angered by Taiwan's campaign to raise its international profile. That campaign culminated in a trip to the United States by President Lee Teng-hui.

Taiwan hopes the talks will eventually lead to a meeting between top

negotiators, which was in the planning stages when Beijing suspended talks.

Mr. Jan, a deputy secretary-general of Taiwan's Straits Exchange Foundation, and his Chinese counterpart will discuss an exchange of visits by higher-level officials.

Shen Ke-sheng, deputy chairman of Taiwan's Mainland Affairs Council, said the visit was "the inevitable result of both sides realizing the need to face and solve the problems that concern the people on both sides of the strait."

Meanwhile, the official Chinese newspaper People's Daily called on Taiwan to ease its ban on direct shipping, mail and telecommunications links with the mainland, calling the controls the work of "ignorant people." Taiwan has held up removing the ban, seeing it as its last card in negotiations. (AP, Reuters)

## CHINA: Beijing Still Holds 2,000 'No-Name' Political Prisoners

Continued from Page 1

The state-controlled Xinhua press agency reported in September that there were 230,000 people undergoing re-education, a 50 percent increase over the number the Chinese government gave to Mr. Kamm at the end of 1993. While the majority of those are ordinary criminals, unknown numbers of them are also there for political reasons.

Shen Liangqing, a former public prosecutor from Anhui Province, was sentenced to two years of re-education through labor on April 4. Arrested in the days preceding the annual session of the National People's Congress on Feb. 25, Mr. Shen's arrest was believed to be linked not only to letters he had sent to the government criticizing

the selection of former Prime Minister Li Peng as chairman of the Congress, but also to his contacts with overseas human rights organizations and Western journalists. Mr. Shen, 35, was also detained in 1992 for 17 months.

Liu Xiaobo, a renowned literary critic and former professor of literature who helped negotiate the safe departure of students from Tiananmen Square on June 4, 1989, is another person undergoing re-education through labor. Arrested on Oct. 7, 1996, Mr. Liu was sentenced to three years in labor camps. His appeal, heard at the Dalian labor camp in March 1997, was rejected.

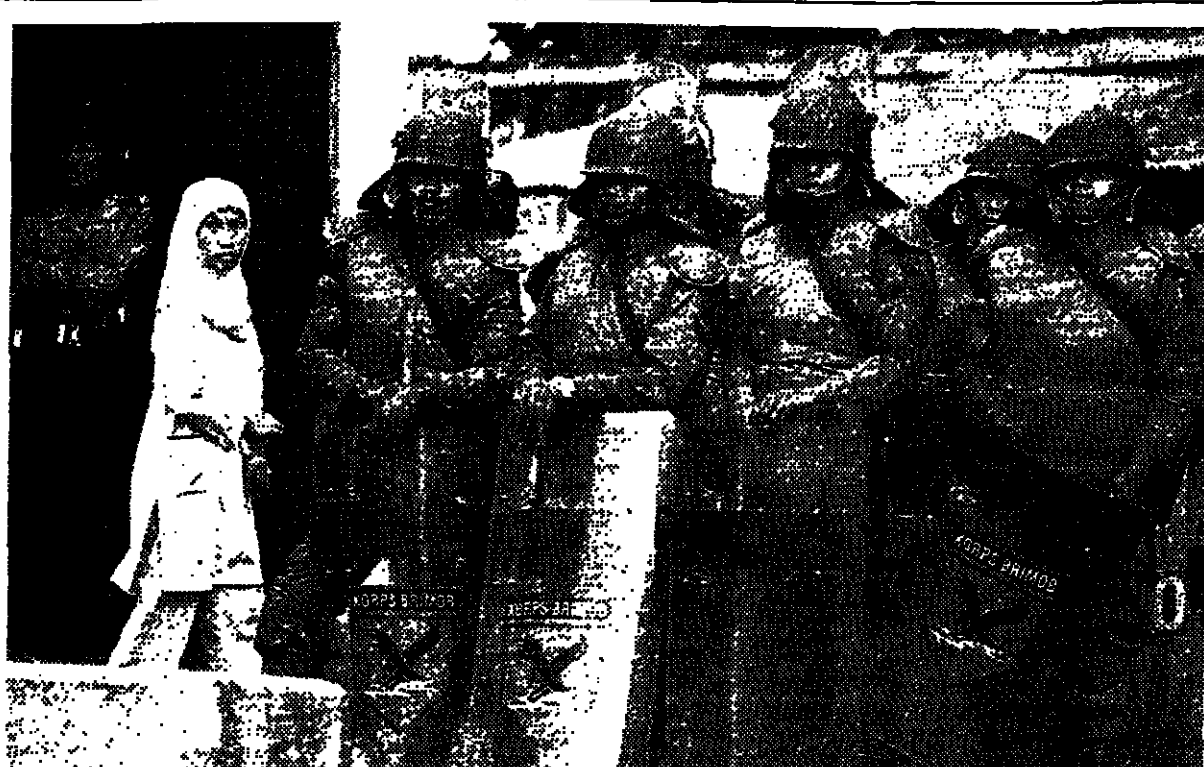
Mr. Liu was arrested after he and Wang Xizhe, a veteran dissident from Guangzhou in southern China, wrote an open letter to the Chinese and Taiwan governments calling for a peaceful solution to the question of national reunification; asking that the Chinese Communist Party finally deliver on pledges of free speech and party pluralism; and pointing out that under China's constitution President Jiang Zemin should be impeached for having claimed that the People's Liberation Army was under the "absolute leadership of the Party" rather than the national legislature.

Many of the people in jail have been there for years. Human Rights in China, a New York-based group run by Chinese exiles, has issued a list of 158 names of individuals from Beijing alone who are serving lengthy prison sentences for their participation in the 1989 pro-democracy movement. Most were jailed for "counterrevolutionary rebellion," even though in the more mild political climate today Chinese leaders use the phrase "political disturbances" to describe the 1989 protests.

The list was primarily compiled by Li Hai, a former Beijing student, who was arrested in 1995 for making the list public and subsequently sentenced to a nine-year prison term.

"The persons on this list, and the many other 'nameless' individuals jailed throughout China in connection with the 1989 crackdown might not be as internationally well-known as Mr. Wang, but their lives and liberty are equally as important," the group said this week.

BRIEFLY



A student walking past riot policemen guarding a University in Solo on the island of Java on Wednesday.

## New Student Clashes Erupt In Indonesia

JAKARTA — Clashes erupted Wednesday between students and security forces as thousands again took to the streets to call for political and economic reforms, ignoring warnings from the authorities.

Some 5,000 students from Tadulako University in the city of Palu marched toward the local Parliament but a scuffle ensued when they met a roadblock, the Suara Pembaruan daily said.

In the provincial capital of Surabaya a group of 7,000 students from 16 universities gathered at Dr. Sutomo University demanding political, economic and legal reforms.

Students have been demonstrating almost daily since February amid the country's worst economic crisis in decades. The protests have been largely tolerated providing they stay on the campuses. (AFP)

## 'Comfort Women' Ask Seoul to Get Apology

SEOUL — South Korea's former "comfort women" and their supporters on Wednesday demanded that the

government take a tougher stance to induce Japan to provide official compensation to the victims.

"The Korean government must demand compensation from the Japanese government," said a statement issued by the Korea Council for Women Drafted for Military Sexual Slavery by Japan.

South Korea said Tuesday it would give each of 152 former sex slaves of the Japanese Imperial Army, euphemistically known as "comfort women," 38 million won (\$27,600) each in compensation. A package of 4.92 billion won, which includes administration costs, was approved at a cabinet meeting chaired by President Kim Dae Jung on Tuesday.

The government, however, has not officially stated whether it would demand compensation from the Japanese government. "We do not have an official position on the subject yet, but we are refraining from demanding compensation on a government level," a Foreign Ministry official said. "We will not stand in the way if Japan chooses to pay compensation to the victims." (Reuters)

## Afghanistan Rivals To Meet on Saturday

ISLAMABAD, Pakistan — Rival

Afghan factions have decided to meet in Islamabad on Saturday for initial peace talks, a United Nations official said on Wednesday.

James NGoby, deputy head of the UN Special Mission for Afghanistan, said that the meeting between representatives of the Islamic Taleban movement and the opposition northern alliance was expected to begin on Saturday morning. The steering committee meeting aims to pave the way for a larger peace commission of Islamic scholars.

During his one-day visit to Afghanistan last week, the U.S. envoy to the UN, Bill Richardson, brokered an agreement between warring Afghan factions for their first meeting in more than a year. They agreed to implement a cease-fire until the newly planned meeting. (Reuters)

## For the Record

Prime Minister Antonio Guterres of Portugal came out of a meeting with President Jiang Zemin of China on Wednesday expressing confidence that all problems surrounding Macau's handover next year would be tackled in due time. (AFP)

China plans to send its first astronaut into space next year to coincide with the 50th anniversary of the founding of the People's Republic, the Guangzhou Daily said. (Reuters)

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## EDITORIALS/OPINION

# Herald Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

## Foreign Brains Needed

A tough battle is being waged in Washington over immigration quotas for skilled information technology workers. The industry points to thousands of jobs unfilled by domestic workers, and asks urgently for more "H-1-B" specialty-occupation visas for foreign workers. The unions and professional societies, favoring a tight labor market, and the Clinton administration, favoring the unions, dispute the industry's open-job numbers and oppose the Senate Judiciary Committee's bipartisan proposal to raise the annual bid from 65,000 to 90,000.

Immigration law necessarily must balance the rights of employers with the interests of workers. The dilemma has become more acute as the phenomenon of globalization opens up to employers the option not simply of hiring short-term (up to six years) foreign workers but of shipping information-technology jobs overseas permanently. India is just the most conspicuous country with the technical level to make this possible. But it is dangerous stuff. For the exporting of these jobs to happen on any scale would invite explosive consequences.

In fact, the high-profile growth-

leading information technology industry is too important for American economic and global interests alike not to have a quality work force. That argues for the admission of needed foreigners. But their numbers and terms of employment should be kept under close scrutiny to ensure that they are not used as cheap competition to bid down the price of labor. There also must be a continuing study of the effect on industry employment of the "millennium bomb"—the year 2000 computer problem.

At the same time, the information-technology labor market ought to be treated as something more than a prime factor in an economic equation. It is also a red flag warning the country that the American education system is not producing the trained work force that a competitive global economy requires. Senator Spencer Abraham's bill offers stipends for 20,000 low-income American students in this personally rewarding and nationally vital field.

Such upgrading of the work force is the main road that American policy must take to better equip the United States for the 21st century.

—THE WASHINGTON POST.

## From Welfare to Work

In the effort to find jobs for welfare recipients, one private American group, the Welfare to Work Partnership, led by Eli Segal, is making notable progress. Mr. Segal has signed up more than 3,000 companies that pledge to hire and retain welfare recipients. But he needs thousands more.

Mr. Segal spends about \$4 million a year, raised from corporations and foundations, to help his corporate members recruit and train welfare enrollees for entry-level jobs.

His Partnership provides members with how-to manuals, connects them to community groups that assist the unemployed, and teaches them how to exploit federal tax credits and transportation subsidies.

The partnership has attracted big names like Time Warner, Burger King, Sprint and United Airlines, although most of his members are small and medium-sized companies.

A survey commissioned by Mr.

Segal of his corporate members found that they had hired more than 135,000 welfare recipients. More than 70 percent are in full-time jobs, and a similar number receive medical benefits. Most employers deem their welfare hires successful and expect to hire more.

A minority of welfare clients, perhaps 20 percent, are physically or psychologically incapable of holding a steady job. But most have high school degrees, are in their 20s and 30s and have substantial work experience. Their problem is less finding work than holding onto it. That is why support services and mentoring are necessary.

A few thousand jobs will not come close to meeting the need. Perhaps 2 million women will soon exhaust their benefits under time limits set by the 1996 welfare law. If they are to be rescued, welfare-to-work will need to become a corporate norm rather than an exceptional act of virtue.

—THE NEW YORK TIMES.

## E-Mail Can Boomerang

Most Americans are introduced to e-mail and Internet access in the workplace, and it is in the workplace that they discover, too often, a lesser known aspect of this exceptionally fluid and informal form of communication: It has no guarantee of privacy. Nevertheless, for reasons that have occasioned much armchair psychological speculation, most of those new to e-mail seem to act as if they had a very high expectation of privacy—indeed, as if they were talking to intimate friends. E-mailers also frequently blurt out things electronically that would never be said face to face.

Whether this is because e-mail "has few social cues and seems ephemeral," as two legal analysts muse in the journal of the Association for Computing Machinery, or for some other reason, it turns out to be quite wrong. Legal claims to e-mail privacy in the workplace have generally failed in court, from the Nissan Motor Corp. case—in which a supervisor showing a large group the uses of e-mail inadvertently displayed a private sexual message from one employee to another—to the California case in which an e-mail trainer was fired for gross insubordination after she tried to block supervisors' policy of reading all the messages exchanged in her classes.

Courts have rejected claims that reading employee e-mail constitutes unreasonable search and seizure (because there is no "reasonable expectation" that a piece of a company system is private), or that it violates federal wiretapping laws that restrict monitoring of employee telephone calls (since an e-mail message read in storage is not being "intercepted"). The consequences of reckless e-mail use can cut upward, too, as happened to the CEO who had to settle with a fired employee suing him for age discrimination after discovery proceedings were able to retrieve previously deleted e-mails from the company system urging the firing in offensive terms.

The unexpected permanence of

supposedly discarded e-mail messages is particularly dangerous in a medium that for many workplaces has become central not just to work but to water-cooler socializing and procrastination. Do hooked-up employees waste more time Net-surfing and e-chatting—"cyberloving"—as one survey called it—than the average crossword-puzzle-doer or hallway gossip-spreader? Or will the apparently addictive qualities of the medium be counterbalanced over time by the knowledge that, unlike reading a magazine under your desk, cyberloving leaves detailed records in company property?

The uncertainty on this point could provide one more motive for employers to snoop through employee files—contributing, despite safeguards in other areas, to the trend toward a more monitored workplace.

—THE WASHINGTON POST.

## Other Comment

### India and Pakistan Left Out

There is something ridiculous about an Asia-Europe summit [April 3-4 in London] without the Indian subcontinent. It is an indication of how far [India and Pakistan] have fallen in the world ranking table because they have been unable to make the transition to freer and more dynamic economies and have failed to concentrate on national and regional goals.

The only logical step for India and Pakistan is to withdraw their applications while setting their houses in order. If [they] play their cards right, ASEAN would have to beg the two countries to join the group because the anomaly of almost half of Asia missing at a table supposedly bringing Asia and Europe together would make the concept absurd.

But for India and Pakistan, it is time to reflect on the mounting costs of their quarrels and animosities.

—Khaleej Times (Dubai).

# There Was No International Tribunal for Pol Pot

By Alexander Downer

CANBERRA — The death of the mass murderer Pol Pot reminds us of the need for a permanent International Criminal Court to try those accused of crimes against humanity.

When the atrocities committed by the Khmer Rouge regime were first revealed, the shock felt throughout the world was accompanied by a sense of deep frustration that the perpetrators had been able to commit the most heinous crimes with impunity.

The international community was helpless in the face of the failure of a national criminal jurisdiction to protect its own people and to bring Pol Pot and his companions to justice.

His death has brought these questions starkly back into focus. How could those crimes possibly have been left unpunished, and why did the international community not act to see justice done?

The simple answer is that, at the time, the international community did

not have the means to investigate and prosecute those crimes.

Since the Nuremberg and Tokyo tribunals after World War II, there has been debate about a permanent International Criminal Court to bring justice after the most serious crimes of international concern. However, it was only with the end of the Cold War that there was a real opportunity to act.

This year, the first real step toward the creation of a permanent International Criminal Court will be taken, with the likely adoption of a statute for the court. The establishment of the court will be the culmination of a number of important developments.

First, the UN Security Council set up ad hoc criminal tribunals to investigate and prosecute horrendous crimes committed in the former Yugoslavia and in Rwanda in the early 1990s. As in Cam-

bodia, not only had appalling crimes been committed, but victims had been deprived of any sense of justice due to the inability or the unwillingness of their national criminal systems to prosecute and punish the perpetrators.

Second, negotiations at the United Nations on the establishment of a permanent International Criminal Court recognized that while the ad hoc tribunals were an important step in the right direction, they did not provide a solution for suppression and prosecution of crimes of international concern.

Clearly, crimes such as genocide, "ethnic cleansing" and systematic torture and rape are of such gravity that they are the concern of the world as a whole, not just of the country immediately affected.

It is therefore crucial to use the historic opportunity presented by the diplomatic conference to be held in Rome in June and July this year to ensure that a truly credible and widely accepted

International Criminal Court is set up. Fundamental issues remain to be resolved at the conference; a lot of hard work is ahead. Delegations will have to work together in a spirit of cooperation to achieve this important goal. The ghost of Pol Pot should be a reminder of the importance of their work.

That a pressing need exists for an International Criminal Court is an unhappy reflection on the tragic realities of the world today. But there is now an unprecedented opportunity to establish a court with real teeth to bring international criminals to justice.

It comes late for the people of Cambodia, but it would prove to future generations that we are serious about the rights of victims—and about deterring potential perpetrators of crimes against humanity.

The writer is Australia's foreign minister. He contributed this comment to the International Herald Tribune.

# Nor Are Other Khmer Rouge Leaders Likely to Face Trial

By David Chandler

MADISON, Wisconsin —

Pol Pot's death probably came as no surprise to anyone who had watched the television interview he gave to the journalist Nate Thayer in October. Placed under house arrest by his former colleagues in the Khmer Rouge, who forced him to give the interview, the frail old man evaded Mr. Thayer's more probing questions.

Instead he complained about his health, spoke warmly about his teenage daughter and added a few brush strokes to what we know about his early life.

Here was a man with few regrets, nothing to do and little to look forward to. When he walked away, he seemed to be walking out of history.

What difference does it make? Not much.

To be sure, his death closes off a horrific portion of Cambodia's recent past. From 1975 to 1979 he presided over a Maoist party and regime that

did away with money, towns, markets, schools, religious practices and private property,

while trying to double Cambodia's agricultural output overnight. In the process, some 1.5 million Cambodians, or one in six, died of overwork, malnutrition or untreated illness, or were executed.

If we look to the future, Pol Pot's death is unimportant. It will have no effect, for instance, on the viability of the Khmer Rouge, now a decimated and dispirited political force.

It will not disturb the power balance elsewhere in Cambodia, which is dominated by a "second" prime minister, Hun Sen, and his (ex-Communist) Cambodian People's Party.

It will not affect the flow of international aid, speed Cambodia's entry into the Association of South East Asian Nations or alter the country's dismal human rights record.

The July 1998 elections will proceed as planned. Hun Sen's party will win them; his victory has been a certainty since July, when it used force to emas-

cuate the royalist political party with which it was ostensibly sharing power.

But Pol Pot's death may have the salutary effect of making people think about those who shared responsibility with him for the horrors inflicted by the Khmer Rouge.

Pol Pot was "Brother No. 1." Brothers No. 2 and 3, the taciturn, murderous Ta Mok, remain at large, alongside that adroit, malevolent survivor, Khieu Samphan, who is often described as a "liberal" but was deeply implicated in all of the regime's decisions.

These three, along with Pol Pot and the late Son Sen (assassinated on Pol Pot's orders in June 1977), constituted what was called the Party Center. They formulated the radical economic policies of the Khmer Rouge and presided over the purges in which perhaps as many as 200,000 men, women and children were ex-

ecuted as class enemies or enemies of the state.

None of the Brothers has expressed sustained regret for what happened. Then was then, they have suggested.

Should Pol Pot's close associates be brought to justice? Feelings within Cambodia, apparently, are mixed, and there has always been a remarkable shortage of political will in the United States and Thailand, the two outside powers that could bring such a trial about.

The best time to have done so would have been the early 1980s. Then, however, Khmer Rouge crimes were outweighed by Thai and American unwillingness to offend Pol Pot's patron, China, or to please his enemy, Vietnam.

Until 1991, the Khmer Rouge flag flew in the plaza of the United Nations in New York. More than 100,000 of his troops and followers crowded into camps along the Thai-Cambodian border or, after 1990, in north and northwestern Cambodia itself.

Calls for the Khmer Rouge leaders to be put on trial were repeatedly brushed aside.

Interest in such a trial has revived in recent weeks, but such crucial issues as the venue, format, jurisdiction and cost of the proceedings are unresolved. Any trial of the Khmer Rouge leadership, moreover, would probably generate charges against Hun Sen and his present party comrades, who began their careers in the Maoist movement.

The likeliest outcome is that no such trial will take place. There are too many vested political interests involved. Those who really care about Cambodia are heavily outnumbered by people and governments with more immediate concerns and interests.

The writer, a visiting professor at the University of Wisconsin, is author of "Brother Number One: A Political Biography of Pol Pot." He contributed this comment to the International Herald Tribune.

# Different Times, but the 1990s Do Resemble the 1920s

By Robert J. Samuelson

WASHINGTON — Amer-

icans know that today's economic boom will someday end, because all booms do. Yet faith in its immortality seems to grow almost daily. You see it in the stock market, confidence indexes and tight labor markets.

Has there ever been anything like it? Well, how about the 1920s?

The suggestion seems antisocial. It raises the specter of another Great Depression. (Unemployment averaged 18 percent in the 1930s.)

This need not be, of course.

Peering back teaches at least two important lessons: People do get carried away, and today's economy may have some little-noticed weaknesses. Parallels with the 1920s abound. The stock market soared. New technologies dazzled. Today it is personal computers and the Internet. Then it was radios and mass-produced cars. From 1919 to 1930, the number of radios went from almost zero to 14 million; car registrations tripled to 23 million.

Then as now, people thought that the economy had permanently changed for the better. The 1920s supposedly heralded

a "new era." The operative phrase in the 1920s is "the new paradigm." It holds that favorable forces (computers, foreign competition, deregulation) have made the economy more competitive, more productive and more stable.

The economy is now said to lack the "excesses" that typically trigger a recession. Inflation is low; there is not much obvious business overinvestment (in, say, office buildings).

But this overlooks the stock market, which may be just such an "excess." It may be nudging the economy along by bolstering consumer confidence and spending. Higher stock prices, it seems, embolden people to spend more of their incomes. They feel wealthier. Or they cash in—and spend—some market profits. The extra spending sustains the expansion.

As the market has risen, the personal savings rate has fallen. In 1992 it was 6.2 percent of disposable income; by 1997 it had sunk to 3.8 percent, the lowest since at least 1946.

And why shouldn't consumers feel cocky? The mar-

ket's surge now rivals the 1920s run-up as history's greatest.

Ned Davis Research Inc. dates the present bull market to Oct. 11, 1990, when the Dow Jones Industrial average was at 2365.10. Since then it has risen by 288 percent (based on the April 17 close of 9167.50). In the 1920s, stocks rose by 345 percent from October 1923 to September 1929.

Stock prices have almost quadrupled in value since 1990. On Oct. 11, 1990, Ford closed at a little less than \$10 a share; now it trades just under \$50.

This has meant an explosion of personal stock wealth. At year-end 1990, the value of households' stock holdings was \$3.1 trillion. By 1997, that was \$11.4 trillion. (These figures include stocks held through mutual funds, retirement accounts and pensions.)

But suppose the runaway market is, as the Economist argues, a speculative "bubble." Suppose investors are simply chasing higher prices. Or suppose that something—Asia's economic crisis?—unexpectedly hurts profits.

What then? Perhaps this: Stocks ultimately drop; confidence, bolstered by their rise, sags with their fall; consumer spending weakens or maybe declines. Consumer spending represents about 68 percent of the American economy's output. If it weakens, corporate investment might be excessive; cutbacks could occur.

The point is that the stock market is not merely an indicator of the economy's performance. The market also determines how the economy behaves, through mass psychology and consumer spending.

In the 1920s, just as in the 1990s, stock wealth has soared and ownership has spread. It is creeping down from its bastion among the rich and upper middle class.

Among families with incomes ranging from \$10,000 to \$25,000, stock ownership rose from 13 to 25 percent from 1989 to 1995, reports the Federal Reserve. For families with incomes from \$25,000 to \$50,000, ownership went from 33 to 48 percent.

And wealth effects are huge. In 1990, households' real estate wealth (mainly homes) totaled \$6.6 trillion, more than twice stock wealth. By 1997, stock wealth was about 30 percent more than real estate wealth of \$8.7 trillion.

In the late 1920s, warnings that the market was overvalued did not deflate the mania. One reason was that until early 1928 the market's rise reflected higher profits and dividends. Most of the 1990s surge also rests on solid economic gains. Inflation and interest rates have declined; this makes stocks worth more,

because competing interest-bearing investments (bond, bank deposits) are less attractive. And profits have doubled since 1990, boosting stocks.

But the market has moved well beyond present profits. Its price/earnings ratio is now at a historical high of 28. Since World War II, the ratio has averaged about 14. Something much higher may now be warranted. But 28?

Who knows? Perhaps higher prices will ultimately be vindicated by economic conditions (lower interest rates, high profits). Even if stocks dropped by 15 or 20 percent now, investors and consumers might take the decline in stride. After all, stock prices would still be where they were in early 1997, and more than twice their early 1991 level.

And the 1990s are not the 1920s. Although the crash of 1929 (the Dow dropped by 49 percent from September to mid-November) did mark the start of a sharp recession, it did not cause the Depression. The Depression occurred because the Federal Reserve did not do its job. It allowed 11,000 banks to become insolvent by 1933, and it permitted the money supply to drop by a third. These were preventable events that would probably not be prevented.

It is dangerous to overdo historical analogies. The 1920s cannot tell us whether today's boom will end next week, next month or even next year.

But the history is mighty intriguing, and leaves a sobering question. The economy has surely changed since 1929, but has human nature?

Washington Post Writers Group.

# Manage the Booms and Prevent Busts

By José Antonio Ocampo

SANTIAGO — When Asian markets began to tremble late last year, Latin American nations braced for the worst. Sure enough, capital flows to the region, as to all emerging markets, were temporarily paralyzed. Exports to Asia dropped dramatically. Some countries were affected indirectly by a drop in raw material prices.

But the good news is that for Latin America the worst has passed. Trends in bond spreads are favorable again. Intra-regional trade is steady. Growth, although slowed, has not been interrupted.

Most analysts agree that the region's growth this year will exceed 3 percent. If one excludes Brazil, the country most affected by the crisis, growth should be 4.6 percent, down from last year but better than the average for the decade.

How to account for the region's quick rebound? Simply put, Latin America has learned from past experience. Strict monetary and fiscal policies are now firmly in place.

Two negative lessons have emerged from the Asian crisis, though. The way international capital markets function is extremely dangerous, and Latin economies are increasingly vulnerable to external shocks.

The crisis has shown us the need to create international institutions capable of managing

sophisticated but unstable financial markets in which waves of excessive expansion are followed by financial panics.

There exists no international institution to help avoid the development of unsustainable financial booms.

Risk-assessment firms ought to play a role here, but they tend to accentuate rather than ease these trends, by upgrading countries during the booms and swiftly downgrading them during the downturns.

This, then, would be an opportune moment to rethink the international financial order. Attention should be focused on administering bonanzas, not crises, since in many ways such crises are the result of booms badly managed. We do not possess appropriate tools to manage unsustainable bonanzas—or, even better, to prevent them from developing at all.

It is this lack of an appropriate international regulatory framework which justifies countries taking matters into their own hands by imposing special measures to control unsustainable capital inflows, such as the reserve requirements on external capital inflows successfully applied in Chile and Colombia.

The current Asian crisis also highlights the extreme vulnerability of Latin economies to external factors.

The excessive attention paid to managing crises ignores the obvious fact that authorities have more freedom of movement in times of bonanza than in times of crisis.

The main challenge in dealing with this kind of external vulnerability is to create instruments capable of administering bonanzas, with the sterilization of hot money as the first priority.

Experience so far shows that fiscal goals should be fixed as a function of the structural, not the current, fiscal deficit. Furthermore, many countries may wish to counterbalance trends in short-term private spending by curtailing public spending.

Reserve requirements applied to foreign capital inflows do double duty by also moderating the exchange and monetary pressures that build up during periods of bonanza.

The Argentine system, which punishes short-term assets with higher reserve requirements, can also help. Reducing, during boom years, the proportion of real estate value which can be used as collateral to debts is another possibility.

It is on crisis prevention during boom periods that international debate should focus.

The writer is executive secretary of the UN Economic Commission for Latin America and the Caribbean. He contributed this comment to the International Herald Tribune.

## IN OUR PAGES: 100, 75 AND 50 YEARS AGO

### 1898: War and Theatre

NEW YORK — Ever since war has been in the air, theatrical demonstrations have occurred nightly. Managers of music halls made bids to catch the popular enthusiasm by displaying portraits of the Maine. It may be interesting to give the views of the chief theatrical managers. Mr. Augustin Daly says that people are too much occupied in the evening talking over war news to go to the playhouses. On the other hand, the veteran manager Mr. Theo Moss foresees a large business. He remembers the Civil War when the theatres were full.

### 1923: Women Jurors

NEW YORK — Women are temperamentally unfit to be jurors, Mrs. W. I. Sweet told the New Jersey League of Women Voters. "I know a woman juror," she said, "who refused to

vote for conviction because she was afraid that she would wake up some night and think she might have sent the wrong man to jail." Mrs. Daniel Fellows attacked male jurors. She told of a jury the members of which served drinks from pocket flasks in the intervals between sipping in judgment on liquor cases.

### 1948: Chiang Elected

NANKING — Generalissimo Chiang Kai-shek was elected China's first constitutional President. Students from Anhwei Province were permitted to send a delegation to the Assembly with a petition demanding the dismissal of the provincial governor, the dispatch of regular troops to Anhwei to fight the Communists and special relief for student war refugees. The Assembly approved special powers for Chiang Kai-shek to issue emergency security and economic orders.

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International Herald Tribune, 181 Avenue Charles-de-Gaulle, 92521 Neuilly-sur-Seine, France.  
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Editors for Asia: Michael Richardson, 5 Conventry Rd., Singapore 119000 Tel: (65) 472-7768. Fax: (65) 274-2334  
Mag. Dir. Asia: Terry Damer, 50 Gloucester Rd., Hong Kong Tel: 852-2922-1188 Fax: 852-2922-1190  
Gen. Mgr. Germany: T. Schiller, Friedrichstr. 15, 10823 Frankfurt Tel: +49 69 971250-0 Fax: +49 69 971250-30  
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## OPINION/LETTERS

## Don't Look to Japanese To Take Needed Steps

By Jim Hoagland

WASHINGTON — Despite six months of hammering by the Clinton administration, Japan remains part of the problem and not the solution to Asia's financial emergency. Increasingly Tokyo seems not just unwilling but unable to make the significant changes the United States says are needed.

Japan's paralysis in the face of warnings and implied threats from its major trading partners and the IMF has become the source of mystification and sharp internal debate for senior officials in Washington and other capitals.

The assumption that Japan could change — could choose to spend its way to recovery and help halt the spread of the Asian recession to U.S. and European shores — was the basis for strenuous efforts by Treasury Secretary Robert Rubin, his deputy Lawrence Summers and others to get Japan to increase its imports and stress domestic consumption over export promotion.

But that assumption was seriously undermined by the performance in mid-April of Finance Minister Hikoichi Matsunaga and other Japanese officials at the annual spring meetings of the IMF and the Group of Seven industrial nations in Washington.

"The Japanese presentation was incomprehensible, for all of us," said a European finance minister who has not taken a lead in criticizing Japan before. "The minister gave a two-hour speech that we could not understand. When we started to ask him questions, he started to repeat the speech. I have no idea how Japan sees the problem, or what can be done."

Another senior official was even sharper in describing a collective and traumatic realization that took shape behind closed doors at the meetings: "It is not that the Japanese described an approach with which we disagreed. They described nothing at all. It was as if they were on another planet, dealing with a totally different situation that we know nothing about."

Since Asia's financial problems began last year, U.S. officials have debated whether the Japanese were capable of doing what Mr. Rubin and Mr. Summers said Tokyo had to do: quickly cut trade barriers, reduce taxes and stimulate spending in a stagnant economy. This would pull in Asian and U.S. goods and ward off global recession.

I stumbled into that argument in a New Year's column, expressing the hope that Japan would choose reform and change over the risk of depression in 1998 (IHT, Jan. 3).

"Wish you were right, but you're wrong," a senior U.S. official who deals with Japan said shortly afterward. "This is about a system that can't change, and a national leadership that really has no intention of trying to change it. We will get no help from them and we have to plan accordingly."

Current statistics seem to validate such pessimism. According to the IMF, Japan slipped into recession in the first quarter of the year. Worse, Japan will experience negative growth for all of 1998 if Tokyo does not take new action beyond the \$75 billion package of tax cuts and public spending introduced to no visible effect in early April.

The consequences that Rubin & Co. hoped to head off may have already begun. U.S. exports to Japan dropped by nearly 15 percent, or \$1 billion, in February as the overall U.S. trade deficit soared. Instead of helping build a fire wall to contain the Asian crisis, Japan is spreading the flames of economic distress toward America.

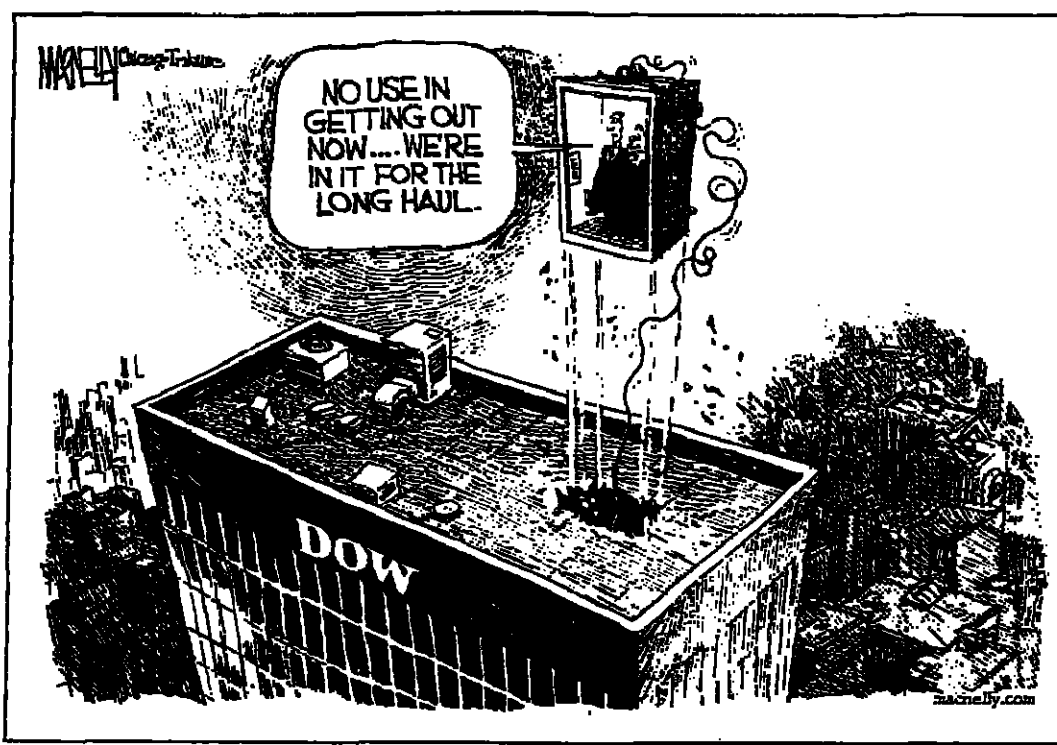
Tokyo and Washington remain deadlocked. The Washington meetings made clear that the only course Prime Minister Ryutaro Hashimoto sees open is to avoid radical change. His desire for a second term rules out the overhauling of the political system needed to tackle Japan's problems.

There are also compelling economic and cultural factors that make Japan systematically reject U.S. advice to spend more today and save less for tomorrow. Largest among them is the fact that Japan has the industrial world's most rapidly aging population.

Whatever risks he faces now from inaction, Mr. Hashimoto is convinced that he and his nation would face even greater perils by depleting national savings and taking actions that would tie his successors' hands.

In characteristic fashion, Japan gazes into the next century while the United States focuses on the immediate problems that a global power cannot avoid. The grim reality is that Japan will offer no quick fix to the world's Asia problems.

The Washington Post



## LETTERS TO THE EDITOR

## "Titanic" Reaction

Regarding "A Glacial Response to 'Titanic' From European Intellectuals" (Meanwhile, April 15) by Richard Pells:

"Titanic" is an enormous commercial success, but that does not mean it is a work of art. We in Europe drink thousands of gallons of Coca-Cola a day, thanks to the efforts of a very successful multinational company, but Coca-Cola has nothing to do with art and neither does "Titanic."

Democracy and culture are unrelated. Democracy is the right of people to decide their own destiny by vote. The limit of democracy is that the vote of a Nobel prize-winner counts as much as the vote of an illiterate worker.

As far as governing a country goes, that is all right because it is the will of the majority that counts. Where we run into trouble is when we apply such a democratic approach to evaluating an alleged work of art.

G. A. CASTIGLIONI, Lugano, Switzerland.

I am anything but anti-American, but the preposterous placency of Mr. Pells' article cries out for a reaction.

I have not seen "Titanic." The main reason I did not go see it at first was that it is a well-known story with a well-known ending. The reason I certainly will not see

it now is the unbelievable marketing hype for the movie. I have an anarchistic streak: So much propaganda prompts a negative reaction.

Mr. Pells seems to be saying that if so many people like something, it must be good. Let's be careful with that attitude.

CAROLINE DE WESTENHOLZ, Monaco.

"Titanic" is certainly the product of talented individuals, but is it a masterpiece?

Americans do make great movies that appeal to a wide audience that often includes intellectuals. In addition to "Gone With the Wind" and "Casablanca," which Mr. Pells mentions, I would add "The Bridge on the River Kwai," "In the Heat of the Night," "Midnight Cowboy" and "Rain Man."

As in Shakespeare's plays, which appeal to both the masses (at least of the day) and intellectuals, the strength of these movies lies in their strong development of character, humor and lack of sentimentality — three things I found missing in "Titanic."

KATHARINE CHASSAING, Paris.

If "Titanic" is an example of an American "cultural phenomenon," I have to say that Mr. Pells has lost touch with what culture

really is. Or perhaps this movie is the best that American "culture" can achieve?

Mr. Pells' main mistake is to think that the American way of life is universal. Europe is diverse, culturally and historically, compared with the United States.

Also, we Europeans are generally better educated in history, the arts and languages than Americans, which allows us to enjoy European as well as American films.

This broadmindedness makes us critical of American movies in a way that American viewers are not. I often find American films shallow and predictable, which reflects U.S. society.

European rejection of U.S. culture is a sign of intellectual maturity, something that is missing in the United States. Americans do not seem to understand how often Europeans laugh at the narrow, self-centered way Americans have of looking at themselves and their role in the world.

MICHAEL BIRCH, Hong Kong.

Why doesn't Mr. Pells come back to the good old USA, buy a minivan, put vinyl siding on his house and take the wife and kids to Disneyland?

RUSS HAZZARD, Winthrop, Maine.

## Octavio Paz at the Nexus Of Poetry and Politics

By Marie Arana-Ward

WASHINGTON — I saw Octavio Paz for the first time almost 20 years ago in New York City. He was moving uncertainly through the corridors of the publishing house where I had just been hired. He was a spry sixty-something. He seemed

## MEANWHILE

somewhat disoriented. I was momentarily stunned. I had lifted my head from a rookie's tedium and found his unmistakable face looking my way.

As it turned out, the poet was lost, a condition he was not used to. He bowed graciously, approached my desk and in thickly accented English asked for the way to the publisher's office. I sprang up and offered to take him there. He seemed surprised, even grateful, to be addressed in his own language, and to know he had been recognized.

His was not a face Americans knew then, or knew Monday when he died at 84. Although the man could not walk the streets of Mexico City without being stopped by every other citizen and thanked profusely, he was — here in the United States — a virtual unknown even among people who buy books.

The publisher I worked for, Harcourt Brace Jovanovich, took a chance on Mr. Paz's turbulent brilliance and issued a number of his collected works. It was a different world in those offices. There was still hope that a steady rain of words, a poetic intelligence, could wedge open the arid ground.

Mr. Paz's books were generated in the United States mostly under the care of his editor, Drenka Willen, who labored tirelessly to see that his thoughts were not lost in the way stations of translation, that his ideas sailed into American heads intact. But there were precious few American heads to sail into.

When Mr. Paz won the Nobel Prize in Literature in 1982 — almost a decade after he began to be published in the United States — his face began to appear in American newspapers, his name floated about on the streets, but his works continued to thrive only in the margins of American consciousness.

This is not just a matter of North Americans not listening to what the South is saying. There has always been a basic disjunction between what Spanish-speaking and English-speaking audiences want to hear. Octavio Paz was good at putting his finger on it.

"The explanation lies in the very origins of the North American nation," he wrote. "The Founding Fathers wanted to build a utopia outside of history. ... History is a responsibility Americans would rather not have."

Latin Americans, on the other hand, live in history with gusto. Family loyalties are everything. Ideas and hypotheticals rule.

"Americans detest not just ideologies," wrote Mr. Paz, "but ideas, which is a very serious illness. When Americans want to have ideas they confuse them with morals, which are not the same thing."

Since colonial days, the Hispanic intelligentsia has been tied to ideas and ideologies. The obsession is very European and inimical to the free way of American life.

Mr. Paz was the quintessential man of ideas, a persistent gadfly to left-leaning Latin American intellectuals and a staunch critic of magical realism, contending that realities are interesting enough without outlandish embroideries. He sneered at Cuba, despised the Soviet Union and found the U.S. government highly suspect to say the least.

Poetry and politics were at the center of his life. "If love is in bad shape now," he wrote, "it's because politics is in bad shape — because the notion of human beings has been degraded. We're told that the important thing is to make love well. But that is technique. Love is more than technique. Imagination plays a very important part in love and politics, and without imagination in both, we have this catastrophe of modern life."

If Octavio Paz stood for any one idea, it was that the life of the mind is not very far from the life of the body. Knowledge, politics, the erotic body to him were all one and the same thing. This is a downright un-American, unpatriotic concept — very Latin — in which the language of sex is one step away from the language of the brain.

The Washington Post

## BOOKS

## CHOPIN IN PARIS

By Tad Szulc. Illustrated. 444 pages. \$30. Scribner.

Reviewed by Richard Bernstein

GENIUS is always fascinating, and Frederic Chopin, lovingly brought to life in this new biography by the journalist Tad Szulc, was certainly a genius. His music, perhaps the deepest expression of otherwise inexpressible longing in existence, is, of course, the monument to that genius. But one of the most fascinating lessons in Szulc's close examination of the composer's life is that geniuses, so different from most mere mortals, are all too humanly like the rest of humanity when it comes to private tribulations. And what Szulc has done is not so much elucidate Chopin's musical gifts (although he does devote a few interesting pages to that subject) as lay out for us his subject's complicated, rich and often poignant personal life — in which he was no more genius than anybody else.

At the center of the book is the love affair at the center of Chopin's life, his exclusive nine-year nonmarital and, Szulc believes, mostly nonsexual relationship with Aurore Dupin Dudevant, otherwise known as George Sand, one of the most important writers in 19th-century France. This remarkable love affair, and its ending in bitter estrangement, has been told before, but Szulc's version seems complete, sensitive and reliable. (He blames Sand's jealousy and coldness for the breakup.)

Meanwhile, swirling around Chopin's life like a glittering cloud was the enveloping, sheltering world of global artistic genius that collected in Paris in the first several decades of the 19th century, especially between the establishment of the July Monarchy in 1830

and the accession of Napoleon III in 1848, a few months before Chopin's death. While Szulc's account meanders and drifts a bit, the presence in his "Chopin in Paris" of Eugene Delacroix, Hector Berlioz and Franz Liszt, of Honore de Balzac, Vincenzo Bellini, Robert Schumann, Felix Mendelssohn, Giacomo Meyerbeer and even the American writer James Fenimore Cooper, gives this volume its narrative staying power.

Szulc's concentration on Chopin's social and sentimental life is gossipy and frothy sedate, a kind of celebrity-oriented "Vanity Fair" of the Parisian Romantic era. Here and there, Szulc, a former foreign correspondent for The New York Times, piles on too much detail in matters that seem peripheral. Elsewhere, the reader would wish for more detail of matters that seem central. There is, for example, Chopin's very mixed attitude toward Jews, whom he seems to have disliked, except when they were very rich like the Rothschilds, one of whose wives was his piano student. And there is the possibility that Chopin's near aversion to sexual contact with the women who adored him may have been related to a hidden homosexuality, a possibility that the author dismisses somewhat too quickly.

Still, Szulc has created a valuable, mostly absorbing portrait of a glittering epoch with the remarkable, intensely romantic Chopin at its center. As his title indicates, Szulc's focus is on Chopin's 18 years in Paris, where he arrived in 1831 as a 21-year-old prodigy and died at 39 in 1849 one of Europe's most celebrated artists. Szulc quickly fills in the background: Chopin's mixed French-Polish parentage, his childhood fame as a pianist and composer, his early travels in Germany and Austria.

He arrived in Paris from Vienna "in

an impossibly overcrowded public stagecoach from Strasbourg" with just two letters of introduction to the Parisian music world, but those two letters, his seductive charm and, most of all, of course, his unique talent quickly made him a star.

Chopin was a social butterfly, a nocturnal creature of salons, concerts and parties. In Szulc's portrait, he emerges as enormously charming, playful, verbally witty, affectionate, but also touchy, insecure, given to sudden rages, to manic depression, to melancholia (what we would now less poetically call depression) and to a Hamlet-like indecisiveness. He was afflicted with tuberculosis and valiantly struggled against it all his life. He loved women and many women certainly loved him, but, while he hated to be alone, he was almost incapable of intimacy or, as Szulc puts it rather anachronistically, commitment.

One of his earlier biographers, Frederick Niecks, wrote that there always remained "something of a woman and of a boy in this man." He had what Szulc calls an "exaggerated sensitivity," to which he attributes Chopin's lifelong reluctance to perform in public.

Among the many scenes depicted in this volume is an evening when Chopin and Liszt played piano duets together while the celebrated tenor Adolphe Nourrit sang and Sand, dressed in the national colors of oppressed Poland, listened. Or there was the time in the country at Nohant when Delacroix painted, Sand wrote and Chopin composed. "And there we are, in the azure of the transparent night," Sand later wrote. "We dream of a summer night: We await the nightingale. A sublime melody arises." Szulc makes you want to be there.

New York Times Service

## BRIDGE

By Alan Truscott

THERE are some subtle differences between playing in a normal, face-to-face setting and playing at home on a computer with the other three players in distant locations.

The computer player cannot be influenced by the mannerisms and facial expressions of his partner. Equally, he cannot take advantage of the behavior of his opponents. He is likely to have very limited agreement with his partner about bidding and card play. And he cannot take a quick peek at an opponent to judge whether or not he is capable of a tricky deception.

These last two factors came into play on the diagramed deal, played recently in an IMP game on the OKBridge Network.

South was Joe Pasternack of Manhattan, whose on-line name is Bret, and he was able to make a play that had been eluding him for 30 years.

When East opened one heart, he bid two spades with a suit that some would feel lacked the quality for a weak jump overcall. His partner's raise to game landed him in a decidedly shaky contract, and the opening lead of the heart five portended doom. This was an obvious singleton, and Pasternack could see that the defense was about to take the heart ace, a heart ruff, the club heart ace, a heart ruff, the club heart ace and another heart ruff.

He therefore dropped the heart king under the ace and East was duly deceived. Thinking that it was South who held the singleton, he shifted to the spade jack. The declarer won with dummy's ace and returned a trump,

making his game. The defense had to settle for one heart trick, one trump trick and one club trick.

There was one slight indication for East: with three-card heart support and, presumably, a few points West might have scraped up a raise to three hearts. But he was clearly worse off than he would be in a normal bridge game. He did not have the chance to study the declarer's face, looking for signs of chicanery, and he probably did not have any partnership agreement about the choice of lead with three small cards.

If East knew that his partner's habit was to lead low or middle from three small he would have known that the heart king was a falsecard. But that is not an argument against leading the top card of three. Those who lead small from

three would be at a disadvantage if the lowest possible card was led, and the practitioners of MUD, or middle-up-down, would suffer from ambiguity if the lead happened to be the middle of the three missing small cards.

NORTH  
♠ A 8 5  
♥ J 8 8 6  
♦ K Q J 7 5  
♣ 4 5

WEST  
♠ K 10  
♥ 5  
♦ 10 8 3 2  
♣ K 9 8 6 4 3

EAST D  
♠ Q J  
♥ A Q 10 7 4  
♦ 6 4  
♣ A J 10 2

SOUTH  
♠ 9 7 6 4 3 2  
♥ K 3 2  
♦ A 9  
♣ Q 7

Neither side was vulnerable. The bidding:  
1♥ 2♠ 3♥ 4♥  
Pass Pass Pass Pass  
West led the heart five.

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## INTERNATIONAL

# Attacking Resale to 'Bad Guys,' U.S. Halts Firearms Exports to U.K.

By Raymond Bonner  
New York Times Service

VIENNA — The Clinton administration notified the British government Wednesday that it was revoking all pending licenses for the export of American firearms to British companies, American officials said.

It was the first step, the officials said, in the administration's plan to halt the sale of firearms by American companies to all 15 countries in the European Union. Firearms export licenses will not be issued for European Union countries until the governments adopt laws to guarantee that the weapons are not re-exported "to the bad guys," as one senior official in Washington put it.

In recent years, American firearms sold to European companies have ended up in the hands of terrorists, organized criminal gangs and war zones ranging from the former Yugoslavia and Turkey

to Central Africa, according to American and European law enforcement officials.

The Clinton administration's actions in Europe come as part of a broader, and growing, concern about the easy movement of light weapons across borders. Here in Vienna this week, delegates to the annual meeting of the UN Commission on Crime Prevention and Criminal Justice are expected to call for a binding international instrument to curb weapons trafficking.

The United States is fully backing the effort, American officials at the conference said. And next month, the major industrial powers, the so-called Group of Seven, plus Russia, are expected to adopt regulations on the export and import of firearms, American officials said Wednesday.

The controls, pushed by Washington, have been agreed to by working-level officials from these countries, leaving only the heads of state to officially en-

dorse them at their meeting in Birmingham, England, American officials said. Although only eight countries would be bound by the regulations, they include the five largest arms producing countries, accounting for 90 percent of weapons exports.

Action by these industrialized countries is seen as a breakthrough in a campaign to curb the trade in so-called small arms and light weapons, including handguns, automatic rifles, grenade launchers and hand-held missile launchers.

"It would be a political commitment from influential states that indicates a significant groundswell of support in favor of a multilateral light weapons control regime," said Geraldine O'Callaghan, an arms trade expert at the nongovernmental British American Security Information Council in London.

For the Clinton administration, and many countries, the model for international regulation is a treaty signed by

the United States and other members of the Organization of American States in November. It requires that before a country issues an export license, the country into which the weapons are being imported must formally approve the transaction. It also requires that arms be marked by the importing country.

"This establishes an international system for tracing that does not exist today," said Jonathan Winer, U.S. deputy assistant secretary of state for narcotics and law enforcement. "It means that when weapons get diverted, and inevitably some do, they can be traced back to the last seller."

It is the lack of such measures and the consequent lack of control over weapons once they leave the United States that has led to Washington's action to revoke firearms export licenses to Britain and eventually other EU countries.

In Britain, a nongovernmental relief organization, Oxfam, applauded the

move by the United States, and said that British controls over small arms exports were too lax. In a report to be released Thursday, Oxfam said that British companies had sold small arms in more than 100 countries. Twenty-seven of those countries were in Africa, and most of them were suffering from political violence or open warfare, the organization said.

American officials believe that many of these weapons first came from the United States. Altogether, in 1996, the State Department issued licenses for the export to EU countries of nearly 140,000 handguns and slightly more than 100,000 rifles, according to the latest report by the Office of Defense Trade Controls.

Washington has acted first against Britain not necessarily because it was guilty of the most serious abuses, American officials said, but because the problem was presented in starkest terms there. On March 1, one of the strictest handgun control laws in the world went

into effect in Britain, and as a result American officials realized that weapons sold to British companies were almost certainly not going to remain there.

Germany is likely to be the next target of U.S. action, a senior State Department official said. The State Department issued licenses for the export of 68,000 rifles to Germany in 1996, putting it far above any other EU country, according to the State Department report; licenses were also issued for 32,000 pistols and 89 million cartridges.

Most of the weapons bought by German companies do not enter Germany, except for the parts, where they are loaded on to another ship for another destination, American officials say. Germany has also been a transit point for weapons smuggled into the former Yugoslavia and Turkey.

The Clinton administration is also looking closely at France, where there are 22,000 outstanding licenses, and Italy, where there are 18,000.

## IMF Funding Is Tangled In U.S. Debate on Rights

By David E. Sanger  
New York Times Service

WASHINGTON — Every year, the State Department's human rights report dwells at length on Indonesia's many forms of political repression, from its use of torture and killings to silence dissenters to its widespread military control of East Timor.

So Indonesia's record might appear, at first glance, to require the use of a law compelling the United States to vote against lending billions of dollars through the International Monetary Fund to gross violators of human rights. But the United States favored a \$40 billion IMF bailout of Indonesia, and even offered to throw in \$3 billion of backup American financing if Indonesia needs more.

Defending that decision during two hours of hostile questioning by a congressional committee, Treasury Department officials asserted that in the pantheon of human rights violators, the government of President Suharto did not rank among the worst of the worst.

"The State Department makes these judgments, and Indonesia did not meet the standard to be on the list they send us," Timothy Geithner, assistant secretary of the Treasury, testified as he urged Congress to approve an additional \$18 billion for the IMF. The debate over providing additional funding has turned into one of the hottest foreign policy issues in Congress this year.

The testimony Tuesday called into question whether the administration, in its race to contain the Asian financial crisis, skirted a law that requires the United States to use its "voice and vote" to deny assistance to countries that "engage in a pattern of gross violations of internationally recognized human rights."

The State Department insists that it keeps no official list of human rights violators that should be denied such

loans. But, responding to questions, Mr. Geithner said there were five countries that the United States would likely oppose for such aid: China, Sudan, Equatorial Guinea, Iran and Mauritania.

"I concede," a senior administration official said Tuesday, "that to the uninitiated it is a bit of a strange list."

Clearly, it has a number of gaping holes. For example, Nigeria, a country that has seen widespread violence and political repression since a 1993 coup, would not be automatically denied American support. Nor would Iraq, which is barred from borrowing money from the monetary fund because it has not repaid loans for the last eight years.

At the hearing before the House Banking subcommittee on general oversight and investigations, Bernie Sanders, a politically independent representative from Vermont who ranks among the fiercest critics of the IMF in the House, charged that the administration violated the law.

"You are funding a vicious dictator who jails his opponents," he said Tuesday. "It seems to me you very clearly disobeyed the law."

Mr. Geithner and Karin Lissakers, the U.S. representative to the IMF, insisted that the administration had used its influence to promote both human rights and labor rights. It has blocked the IMF from considering loans to Iran and Sudan, they said, and held up money for Croatia while it harbored war criminals.

Senator Ted Stevens, Republican of Alaska, chairman of the Appropriations Committee said that the \$18 billion financing package was in trouble because of stiff resistance in the House. He said House and Senate negotiators were to meet Thursday to begin hammering out differences in their emergency spending bills to finance military operations in Bosnia and the Gulf. The Senate's version includes the \$18 billion for the IMF. The House version does not.

## Rights Panel Chastises Iran

Reuters

GENEVA — The UN Commission on Human Rights called on Iran on Wednesday to halt human-rights violations, including torture, amputations and stonings, and it expressed concern over the "large number of executions" in the country.

After intense debate and calls by the Organization of the Islamic Conference to recognize progress in Iran, the 53-member United Nations body passed a European Union resolution, 23 to 14, with 16 abstentions.

"In the past year, there have been changes in Iran, improvements in some aspects of the human-rights situation and statements by the government suggesting more changes are on the way," the British delegate, Audrey Glover, said on behalf of the EU. "Any resolution on human rights in Iran must recognize the good and the bad."

But the delegate from Pakistan,

Munir Akram, speaking for the 55-member Islamic group, rejected the EU text as "condemnatory," adding: "It is not the way to encourage further progress in the promotion of human rights in Iran."

The Iranian delegation pointed to initiatives taken by President Mohammed Khatami, who took office in August, said the EU motion fell short of "recognizing the reality" in Iran.

Separately, the UN commission adopted a U.S.-backed resolution on the former Yugoslavia, condemning violent repression in Kosovo and terrorism. It called on Serbian authorities to "put an end to the continuing repression of and prevent violence against the ethnic Albanian population."

The commission also condemned the abduction of children in northern Uganda, for which the Lord's Resistance Army, a rebel movement, has largely been blamed.

## AIDS: Eastern Europe Verges on Epidemic

Continued from Page 1

The Russian enclave of Kaliningrad found that one-third of the "commercial sex workers" were infected with the AIDS virus.

Sexual transmission of HIV is enhanced by the presence of venereal infections, and the latter are also rising steeply in the region. The rate of syphilis, for example, has multiplied by more than 20 in some places since the collapse of the Soviet Union, according to a recent UNAIDS report.

"What for me is the key is that local authorities recognize this is a time bomb," Mr. Piot said. "There is a unique opportunity to slow down or stop the epidemic."

The strategies advocated by UNAIDS are those used elsewhere: public education, a campaign against needle sharing by drug users and promotion of condom use.

Poland, which experienced a rise in HIV cases earlier than the other regions, has cut the rate of new infections among drug users by half in recent years through a campaign against needle sharing, Mr. Piot said.

Ukraine, Belarus, Moldova and Poland have sought the help of UNAIDS in establishing needle-exchange programs, he said.

UNAIDS is starting a yearlong effort to focus attention on people age 10 to 24 — a group that, worldwide, accounts for

more than 50 percent of HIV infections acquired outside infancy. Numerous organizations, including the youth-oriented television network MTV International, have agreed to help promote HIV prevention to teenagers and young adults.

## ULSTER: Irish Parliament Approves Deal

Continued from Page 1

Mr. Higgins suggested that the Irish electorate was not sophisticated enough to understand and decide on two major issues at the same time.

Because there was virtually no opposition, there was no vote count and the agreement was effectively approved by acclamation. The result was a clear indication that the elected politicians were reflecting the opinion of voters and that the referendum would be approved easily in May.

In the debate, political leaders and ordinary members of the government coalition as well as the opposition, praised David Trimble, the leader of the Protestant Ulster Unionist Party in the North. Normally, Mr. Trimble has been a target of invective in the Parliament.

But, almost overnight, he is considered one of the architects of the peace agreement. There was some praise for Gerry Adams, the leader of Sinn Fein,

who also came under fire from the Communist Party, which has its own reasons for opposing the nomination.

On Tuesday, Mr. Berezovsky's newspaper, Nezavisimaya Gazeta, openly proclaimed that a knock-down, drag-out fight over the Kiriyenko nomination could be avoided if only Mr. Yeltsin met the tycoons' conditions.

The price: the abandonment of market reforms who have clashed with Mr. Berezovsky by trying to better regulate the sale of state property and put an end to insider deals. Or, as the newspaper put it, Parliament's resistance could be overcome if Mr. Yeltsin simply accepted the conditions of "big capital."

It is commonly believed that Mr. Berezovsky is not only acting on behalf of some of Russia's other leading financiers, but that he has also forged some potent alliances.

Viktor Chernomyrdin, the ousted prime minister, on Tuesday echoed Mr. Berezovsky's demands that Anatoli Chubais, the free-market reformer and recently dismissed Kremlin aide, be barred from being named to the job he now wants — heading Russia's electricity monopoly. Mr. Chernomyrdin has announced that he will be a candidate in the 2000 presidential election — with the

strong support of Mr. Berezovsky.

Indeed, Mr. Berezovsky has been so active that Mr. Yeltsin reportedly warned him to limit his intrigues or leave the country, according to press reports.

Mr. Berezovsky seems undeterred. But then the stakes are very high. The new government team will oversee the sale of state companies. It will try to put through a new tax system. And it will regulate powerful monopolies, such as Gazprom, the huge natural-gas company; United Energy Systems, the electricity monopoly; and the nation's railroads.

Millions of dollars in government revenue and potential private fortunes may ride on each decision.

A former mathematician, Mr. Berezovsky made a fortune as a car dealer and media mogul. He was one of Mr. Yeltsin's main financial backers during the 1996 presidential election. Mr. Berezovsky capitalized on that support by having himself named deputy national security adviser.

He was ousted in a power struggle last year but has maintained a close working relationship with Tatiana Dyachenko, Mr. Yeltsin's daughter and political adviser.

Mr. Berezovsky boasts that he is one of a handful of financiers who controls much of the Russian economy, and he openly proclaims that the Russian government should be a servant of big business.

That put him at odds with Mr. Chubais

## VW: Beetle Is a Hit Again on U.S. Market

Continued from Page 1

But it also is a short-term success that is fraught with both problems and opportunities, some auto-industry analysts say.

"Whenever you have this kind of demand, there's always going to be an opportunist somewhere who is making extra money," said Lincoln Merriew, director of new-product market research for J.D. Power & Associates, a California-based marketing information company.

The plant in Mexico, which has not reached full production yet, eventually

will be able to turn out 160,000 Beetles annually. About 40 percent of that production, or 64,000 vehicles, is manufactured for U.S. and Canadian sales. The rest goes to Germany and to other foreign markets.

Volkswagen could increase the allotment to the United States if the car proved more popular in America than elsewhere. But that is not likely to happen this year when the Beetle is new and when demand everywhere is high, analysts said.

J.D. Power has picked up scattered reports of price-gouging on the Beetle, Mr. Merriew said. But mostly, for the time being, Volkswagen dealers seem to be selling the car at list — at prices ranging from \$15,200 for the 2-liter, 4-cylinder coupe to \$16,475 for a diesel-powered version of that car. Mr. Merriew said.

Factory and dealer-installed options, of course, can raise the price.

Few expect the reborn Beetle to become Volkswagen's top seller in the United States. That honor goes to the Volkswagen Jetta, 90,000 of which were sold in that country last year.

But the Beetle is a "brand magnet," Mr. Merriew said, pulling people into Volkswagen showrooms who have never before shopped for Volkswagens.

Depending on how Volkswagen handles those prospective Beetle shoppers, the company could gain or lose customers for a raft of new vehicles scheduled to hit the market in the next few years, he said.

The Beetle is part of a long-term lead-in to new products and a new way of selling those products," Mr. Merriew said. "If Volkswagen is smart, it will continue to hold down profit margins on that car and use it to build up goodwill for future sales."



PITCHING IN — President Bill Clinton helping Sandi Marra, a volunteer, clean up a section of the Appalachian Trail in Harpers Ferry, West Virginia, on Wednesday. Mr. Clinton and the vice president, Al Gore, visited the region to take part in Earth Day celebrations.

## RUSSIA: A Bitter Economic Rivalry Is Behind the Battle Over Prime Minister's Confirmation

Continued from Page 1

and Boris Nemtsov, the senior Kremlin aide who asserted that their goal was to break the grip that the "crony capitalists" had on the Russian economy.

The dispute over the control of economic policy crested this year when the government began to arrange the auction of the state oil company, Rosneft.

For months, Mr. Berezovsky lobbied furiously to shape the conditions to his advantage — and lost. The official who drafted the terms was Mr. Kiriyenko, who was then the deputy energy minister. When it became clear that Mr. Yeltsin was determined to fire Mr. Chernomyrdin, Mr. Kiriyenko was decidedly not on Mr. Berezovsky's short list of recommended replacements.

For their part, Mr. Kiriyenko's supporters have tried to counter Mr. Berezovsky by waging their own media campaign, portraying him as a Svengali who is trying to subvert the system.

The Communists and leading mem-

bers of Mr. Chernomyrdin's party have also been demanding the removal or demotion of Mr. Nemtsov, who currently has considerable responsibility for economic policy, including the regulation of the energy industry and monopolies, according to government aides. That would create an opening for their own candidates.

### Zyuganov Hardens Opposition

Gennadi Zyuganov, the head of the Communist Party, visited the holiest site in communism Wednesday and declared he was ready to risk the dissolution of Parliament in a test of wills with Mr. Yeltsin. The Associated Press reported from Moscow.

"I will persuade the Communists to vote against Sergei Kiriyenko," Mr. Zyuganov said after laying a wreath at Lenin's tomb in Red Square to mark the 128th anniversary of the birth of the founder of the Soviet Union.

## EUROPE: Paris-Bonn Tensions Intensify

Continued from Page 1

gested that Mr. Waigel's insistence on tougher measures was aimed as much at the German electorate as at high-debt countries.

While France and Germany wrangled over the terms of the May 2 declaration, Italy was at pains to prove to its European partners that it was serious about reducing its debt, which is about twice the Maastricht target level of 60 percent of gross domestic product.

Carlo Azeglio Ciampi, the Treasury minister of Italy who is hoping to reduce Italy's public debt from 121 percent of GDP to less than 100 percent within five years, was quoted Wednesday as saying that he supported Mr. Waigel's proposal that Italy and Belgium make a pledge at the summit meeting to reduce their debt as quickly as possible. Mr. Ciampi was in high spirits following a move by the Bank of Italy on Tuesday night to cut the discount rate by half a percentage point, to 5 percent.

Bonn and Paris, meanwhile, continued to joust over who should run the new European central bank. Chancellor Helmut Kohl is backing Wim Duisenberg, the Dutch head of the European Monetary Institute, while France is still insisting on Jean-Claude Trichet, governor of the Bank of France.

In Bonn, Peter Hausmann, Chancellor Kohl's spokesman, denied that the chancellor had struck a deal with former President Francois Mitterrand of France that the first president of the central bank would be a Frenchman. Mr. Hausmann was speaking after Jacques Anelli, a former Mitterrand adviser, asserted in an interview with French radio that Mr. Mitterrand had cut such a deal with Mr. Kohl.

"Rumors that there ever was a deal do not gain any credibility through repetition," Mr. Hausmann said.

Officials in Bonn, meanwhile, said Wednesday that reports that a compromise had been reached under which Mr. Duisenberg and Mr. Trichet would split the eight-year term were not accurate. Mr. Duisenberg himself has ruled out the idea, while the European Commission has said that such a split term would not be legal under the Maastricht treaty.

Mr. Kohl has said that the central bank chief would be named on May 2, while President Jacques Chirac of France has said it is not necessary for the choice to be made by that date.

On Wednesday, Johann-Wilhelm Gaddum, vice president of the Bundesbank, warned that any delay beyond May 2 would "enormously handicap" the launching of the single currency, which is set for Jan. 1.

### Kohl to Debate Schroeder

Chancellor Kohl will face his Social Democratic challenger, Gerhard Schroeder, on Thursday in a parliamentary debate that marks the last hurdle in Germany to the adoption of the euro, Reuters reported from Bonn.

Parliament is expected to give Mr. Kohl the green light to take Germany into economic and monetary union despite doubts still harbored by most Germans about giving up the Deutsche mark, the symbol of the country's postwar prosperity.

Mr. Schroeder, a pro-business Socialist moderate who leads Mr. Kohl in opinion polls ahead of the Sept. 27 elections, said in an interview with the magazine Capital that he had no "fundamental objections to the euro," but that he remained concerned about a premature launching of the currency.

"That is why until recently I have called for taking time to catch our breath," Mr. Schroeder said. "Now in the short-term the euro will put even more jobs under pressure."

The interview was made available ahead of publication on Thursday. German unemployment was 4.6 million, or 12.1 percent, last month, a postwar record for March.

Mr. Schroeder has shied from rejecting monetary union but has played to voters' fears. A new Ipsos institute poll showed that 62 percent of Germans opposed the euro, down from 70 percent in February.

The votes on Thursday in the lower house, or Bundestag, and on Friday in the upper house, the Bundesrat, are not binding. But they are expected to give Mr. Kohl the support he needs before economic and monetary union is sealed by EU leaders next month.



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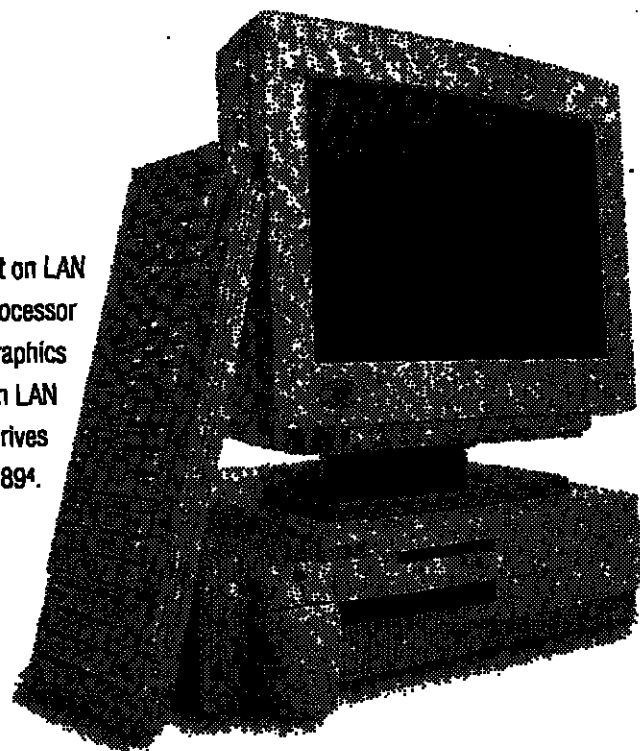
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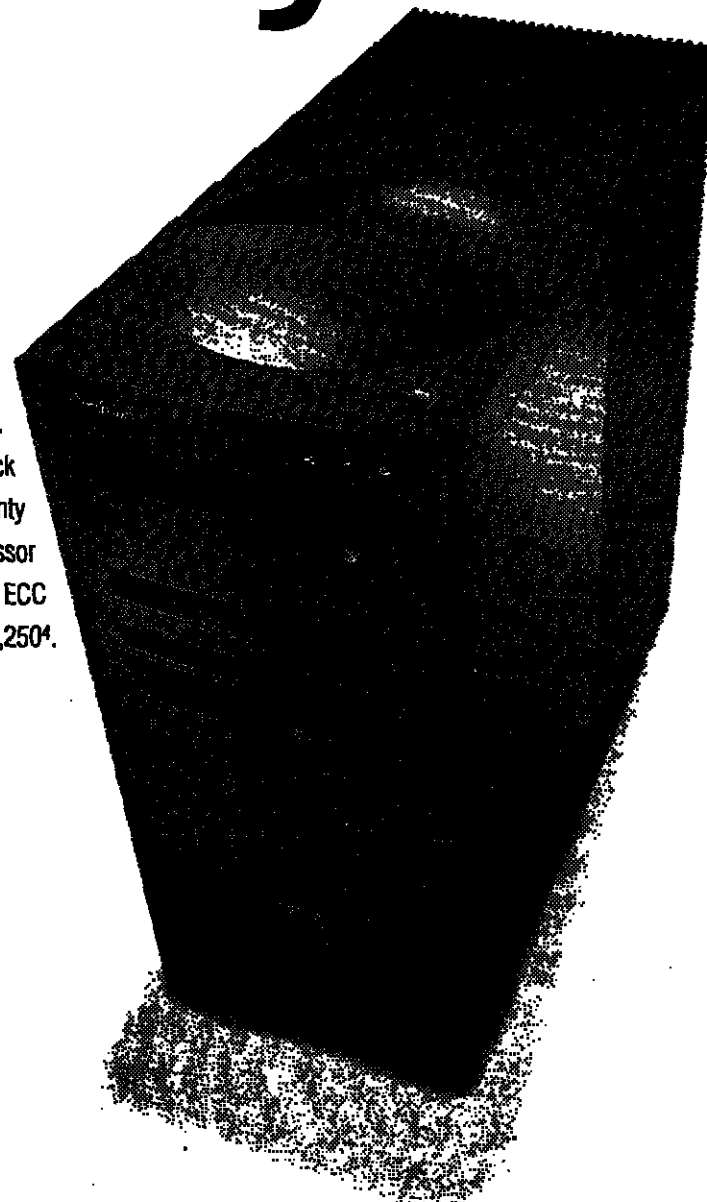
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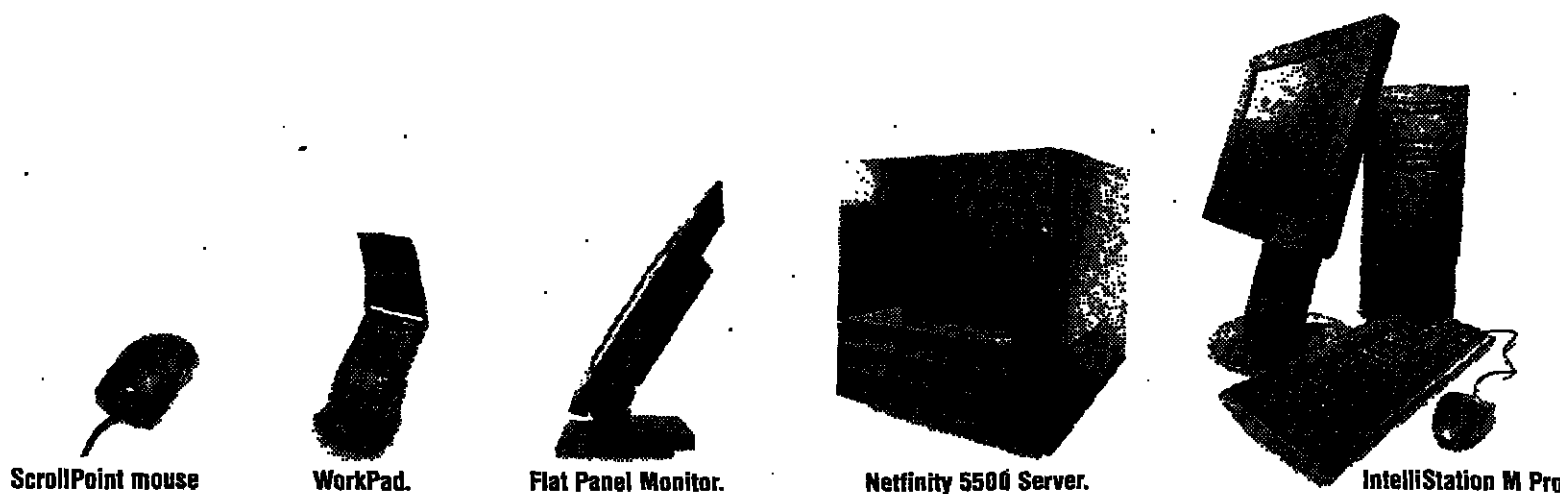
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## U.S. Firms Circle Cuba to Await Embargo's End

**By Jim Carrier**  
New York Times Service

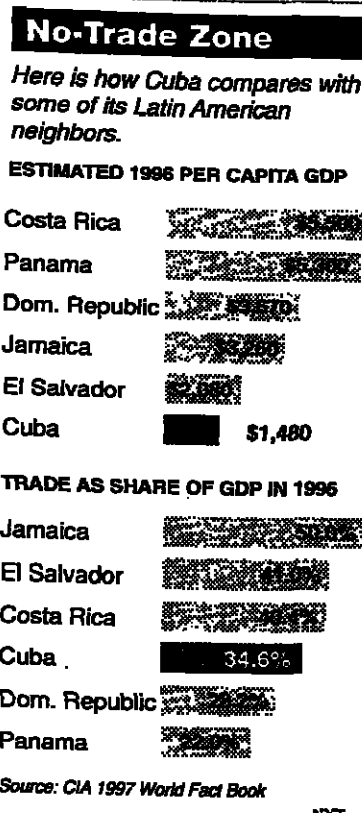
NEW YORK — Last month, two Caterpillar Inc. executives had the kind of face-to-face meeting with a national leader that salesmen dream about — except that the leader was Fidel Castro, and they weren't allowed to sell him anything.

At a dinner that the Cuban leader threw in Havana for several American business people, Mr. Castro asked the Caterpillar managers about bulldozers. They told him the largest Cat exceeded 1,000 horsepower.

His bushy eyebrows shot up; Cuba's Russian machines are only 100 horsepower and are notoriously unreliable. Through an interpreter, Mr. Castro said he could not "comprehend" bulldozers like the ones his guests were describing.

At about the same time, a high-ranking Cuban diplomat traveled to the world headquarters of Radisson Hotels, a unit of Carlson Cos. in St. Paul, Minnesota. He assured Peter Blyth, Radisson's president, that three sites that Radisson looked at years ago in Havana and Varadero, a resort on the northern coast, were still available for hotel development. The properties have no claims against them by foreigners forced out of the country after Mr. Castro took power in 1959, he added, and the Cuban government was eager to do business with Radisson.

These two recent contacts between



prepare for the day when doing business with Cuba is not "trading with the enemy," as most such transactions are now legally defined.

In spite of the 36-year-old U.S. embargo that prohibits all but a narrow range of commercial activity, and in spite of discouragement by the State Department, American executives are circling the island as Navy gunboats once did, in increasing numbers, actually landing.

Cuba's needs are monumental. American executives who have visited Cuba recently estimate the market just for basic goods and services such as food, medicine and road repairs at \$2 billion to \$4 billion annually.

Mr. Blyth of Radisson predicted that Americans would flood Cuba in the unlikely event that travel restrictions were eased — driving up the number of annual foreign visitors to 10 million from the current mostly European crop of 1.2 million. Under current law, Americans are free to travel to Cuba but cannot spend any money there unless they are licensed by the State Department or are guests of officially designated hosts such as the Cuban government or some foreign company.

Before Americans can sign deals, however, Congress must lift the embargo. And that is unlikely to happen as long as Mr. Castro remains in power.

"Castro has to leave, vertically or horizontally," said Marc Thiessen, spokesman for Senator Jesse Helms, the North Carolina Republican who is

chairman of the Foreign Relations Committee. Even so, he suggested, Mr. Castro's departure might not be far off. "We're so close," Mr. Thiessen suggested. "Castro's revolution is dead."

Still, with the prospect of the blockade ending on the island of 11 million people just 90 miles (145 kilometers) south of the Florida Keys, American business is straining at the leash.

"It's not even controversial in our membership," said John Howard, director of international policy for the United States Chamber of Commerce. "There is a widespread and growing sentiment that our policy toward Cuba makes no sense."

For now, American business is pretty much limited to advocating a change in American policy, which has been dictated for decades by the mostly anti-Castro Cuban-American community, to slipping through the few fissures that Washington has allowed to develop in the ban and to keeping up a dialogue with Cubans.

The number of American business representatives traveling to Cuba — legally, but in most cases without State Department sanction — has quadrupled to a projected 2,000 this year from 500 in 1994, according to the U.S.-Cuba Trade and Economic Council of New York.

Just last month, a delegation of mid-level officers from major corporations — including Mobil Oil Corp., Texaco

See CUBA, Page 15



The economics minister, Mr. Kartasmita, at a briefing Wednesday.

## Indonesia Says It Met First Target for Reform

Progress Is Condition of IMF's Bailout Plan

**By Cindy Shiner**  
Washington Post Service

JAKARTA — The government said Wednesday it had met the first deadline on a series of reforms to comply with terms of an International Monetary Fund bailout agreement on which the government has backed in the past.

"All targets that had to be fulfilled by April 22 and some by April 24 have been implemented," said Ginandjar Kartasmita, the country's economics minister, after a meeting headed by President Suharto.

The new measures include lifting restrictions on foreign investment in wholesale trade, replacing a ban on palm oil exports with a 40 percent export tax and implementing a presidential decree to reform bankruptcy law — a key issue in resolving Indonesia's \$68 billion private debt.

Debt restructuring talks were held recently in New York and are to continue next month in Tokyo.

Analysts welcomed the government's announcement but said that following through with the reforms would be the key to restoring confidence in Indonesia's battered economy. The value of the rupiah has plunged by 70 percent and most of the country's companies have become insolvent since the economic crisis erupted last summer.

"They can announce and say whatever they do," said Dave Solin of Foreign Exchange Analytics in New York. "But until the rubber meets the road, I don't think anyone's going to be overly enthusiastic. Talk is cheap."

The rupiah fell slightly Wednesday, with the dollar rising to 7,950 rupiah from 7,835 rupiah Tuesday. Jakarta's benchmark composite stock index edged up 0.59 percent to 500.64 points.

The IMF is keeping a close eye on Indonesia's progress in implementing

the reforms that were hammered out in negotiations last month.

The government failed to carry out its pledges in two previous agreements, prompting the Fund to withhold the latest payment on its \$43 billion bailout.

The Fund's board is to meet May 4 to decide whether to release the installment.

But while President Suharto appears to be making amends on the international economic front, he is facing mounting political trouble at home, which analysts say could again weaken the rupiah just as it appears to be making slight gains.

Student protests have heated up over the past couple of weeks across the nation on at least two dozen campuses. There are frequent clashes with security forces as the students attempt to take their demonstrations off campus and into the streets in the hopes of drawing in the general population.

With the IMF's blessing, the government has delayed lifting subsidies on staple commodities such as rice and fuel in an effort to keep a lid on unrest in the wake of price hikes and millions of layoffs.

**Talks on Financing Trade**

The chief negotiator in Indonesia's effort to restructure its corporate debt said that talks planned to take place from May 8 to 10 in Tokyo would focus on financing trade, Reuters reported.

Radias Prawiro said trade financing was a crucial issue for Indonesian companies that are experiencing extreme difficulty in obtaining letters of credit. He said money-market credit lines also would be on the agenda.

"With this development," Mr. Prawiro said in a statement, "the process of production and trade and economic activity in general can gradually improve."

## Yuan's Black-Market Slide Hints at Turmoil Ahead

**By Thomas Crampton**  
International Herald Tribune

SHENZHEN, China — Officially, China's currency has weathered Asia's economic crisis unscathed. But at Chen Donghua's Chinese herbal-medicine shop in this city just outside Hong Kong, the yuan has started a modest slide.

"The currency was stable all last year, then it started falling about one month ago," the black-market currency trader said.

Mr. Chen — which is not his real name — now offers customers a 6 percent premium over the official rate when exchanging Hong Kong dollars for Chinese yuan, up from 3 percent one month ago.

This sliding exchange rate indicates a growing reluctance to hold yuan — a possible danger signal for a currency that is widely considered the linchpin of Asia's financial crisis.

If the yuan is devalued, economists say, the crisis is likely to reawaken and spread fresh waves of turbulence through the world's financial markets.

While unofficial rates can fluctuate for a variety of reasons, including sea-

sonal demand and government crackdowns, the exchange difference at the Shenzhen black market is an expression of the downward pressure on the yuan, said Guonan Ma, head of Asia-Pacific economic research at Salomon Smith Barney in Hong Kong.

"Within the next 12 months, the Chinese currency will have to come down 5 to 10 percent," Mr. Ma said. "If the weakening is very mild, it does not necessarily have to set off more currency volatility."

Prime Minister Zhu Rongji has repeatedly said China will not lower the value of the yuan, despite sharp devaluations by the country's export competitors in Southeast Asia.

Such a devaluation, besides sparking a new round of currency turmoil, could also knock the Hong Kong dollar off its peg to the U.S. dollar.

In the short term, economists say such a devaluation is unlikely, as China is eager to demonstrate regional leadership and has the means to protect its currency.

At Shenzhen's black market, none of the traders could explain why the currency was sliding, but some customers

— who also refused to be quoted by name — suggested that traders along this frontier of Chinese capitalism had started hedging their bets by buying up Hong Kong dollars.

Trade and investment links have put a large portion of Hong Kong's physical currency in circulation in southern China. Shops in Shenzhen operate on dual currencies, accepting Hong Kong dollars or yuan.

The slide of the yuan in Shenzhen's black market is unlikely to have a direct impact on China's economy, apart from indicating a reluctance to hold yuan.

But it opens an opportunity for speculators willing to break the law and risk the ire of the Chinese authorities. A hundred Hong Kong dollars (\$12.90) buys 110.5 yuan in the Shenzhen black market — up from 108 yuan a month ago — which can then be changed back at the nearby Bank of China for a profit of 6 Hong Kong dollars.

The deal is dangerous and difficult, however, because the black market is illegal and the Bank of China tightly controls currency exchange to stop this sort of speculation.

Chinese citizens are allowed to buy

no more than \$2,000 for travel abroad, and such a purchase can only be made with passport, ticket and government authorization in hand.

Companies must justify all exchanges into hard currency, and foreign visitors may only convert back half the amount of money they brought into the country.

The only legal place in Shenzhen to change yuan into Hong Kong dollars is the Bank of China branch in the immigration hall. Chinese businesses that need foreign currency skirt these restrictions by privately exchanging profits made in China with investors bringing money into the country.

Companies without good connections and short-stay visitors looking for a deal rely on the black market. Mr. Chen's customers walk into China from the Hong Kong commuter train that terminates just across the border.

"Most do not change very much, just a few hundred dollars for the day in Shenzhen," Mr. Chen said. Shenzhen is one of five special economic zones in which Chinese authorities have encour-

See YUAN, Page 15

### INTERNATIONAL MANAGER

## Humbled Ex-Chief Says He Was a 'Mismatch' With Apple

**By Elizabeth Corcoran**  
Washington Post Service

SAN FRANCISCO — What a difference a job can make. A year ago, as chief executive of Apple Computer Inc., Gilbert Amelio had the status of a rock star. Just about every word uttered in public became material for a news story.

As the protector of the flame of the Macintosh computer, he could ring up a pantheon of names from Who's Who and coax them into "advising" Apple on its products and helping with public relations.

That all changed after July 4, when Apple's board of directors fired him. Now, with help from William Simon, a writer, Mr. Amelio has written a book to explain what he thinks happened. "On the

Firing Line: My 500 Days at Apple" is at times a poignantly candid story by a humbled man who once had the swagger to ask for a compensation package worth almost \$30 million.

As he tells it, Apple was often its own worst enemy, its brilliant employees divided against one another. Now that he better understands the company, Mr. Amelio says he was not the guy who could bring the iconoclasts together.

"I was a mismatch," he said. Apple needed a showman, a charismatic leader who could charm both those who built the products and those who bought them. But those who bought them. But those who built the products, write-it-down sort of guy," he said. "I'm not what people imagined the CEO of Apple should be."

He now describes his time at Apple as an emotional roller-coaster ride. Mr. Amelio said he was still amazed just about all of its 10,000 employees and would run the company again, if he had a chance. But he is humbler now.

What Mr. Amelio learned at Apple is something that business schools rarely bring up: What makes a company what it is — a champion or a flop, an innovator or a follower — is its "culture."

But that was not what either Mr. Amelio or Apple's other board members were thinking about in late 1995. Losses were their focus.

Under the chief executive at that time, Michael Spindler, Apple had been sporting a "for sale" sign for months.

Mr. Amelio, who was run-

ning National Semiconductor Corp. and had joined Apple's board, was by his account the lone voice for trying to keep Apple independent.

The board named Mr. Amelio as Apple's chief executive officer in January 1995. But much of the early attention focused not on his plans to save the company but on the compensation package he had negotiated.

Mr. Amelio had estimated that if he stayed at National, and the company continued to do well, he was likely to earn about \$27 million over the next five years. But he also wanted a guarantee that he would not suffer if Apple stumbled.

Apple ultimately renegotiated the terms, but Mr. Amelio acknowledged that his de-

mands set the wrong tone.

"If I had appreciated how emotional an issue this was going to be, I would have made a deal with the board," Mr. Amelio said. "I would have told them, 'I'll work for a pittance,' provided the board backed him for at least three years."

But every time he tried to harness Apple's managers to tackle these problems, Mr. Amelio said, he felt as if he were trudging through quicksand. Few times did people confront him — instead, they just ignored his ideas.

By December 1996, Apple still had no grand new strategy and had not come close to righting itself.

Mr. Amelio turned to an unlikely savior, Steve Jobs, the brilliant and difficult co-founder of the company who had been expelled from it a decade earlier and was running another computer company, Next Computer Inc. Next had developed operating system software that Mr. Amelio thought could plug the hole in Apple's product lineup. He bought the whole company, and in the process, acquired Mr. Jobs as "advisor to the chairman."

Mr. Amelio directs his harshest criticisms in the book at Mr. Jobs.

Mr. Jobs never gave Mr. Amelio his forthright endorsement, Mr. Amelio says. Ultimately, the board decided Mr. Amelio could not reignite sales and showed him the door. The man who took the helm was the same one Mr. Amelio had trusted to help him guide Apple, Steve Jobs.

"My failure to recognize the growing discontent of the board — even if the seeds of that discontent were being intentionally sown by Steve Jobs — was something I still haven't come to terms with," Mr. Amelio wrote.

Last week, Apple reported a quarterly profit of \$55 million, which contrast to its re-



Mr. Amelio explaining that cultures clashed at Apple.

### CURRENCY & INTEREST RATES

April 22									
Cross Rates									
Australian	2.02	1.36	0.69	0.11	0.11	0.11	0.11	0.11	0.11
British	1.78	1.36	0.69	0.11	0.11	0.11	0.11	0.11	0.11
Canadian	1.78	1.36	0.69	0.11	0.11	0.11	0.11	0.11	0.11
French	1.78	1.36	0.69	0.11	0.11	0.11	0.11	0.11	0.11
German	1.78	1.36	0.69	0.11	0.11	0.11	0.11	0.11	0.11
Italian	1.78	1.36	0.69	0.11	0.11	0.11	0.11	0.11	0.11
Japanese	1.78	1.36	0.69	0.11	0.11	0.11	0.11	0.11	0.11
Swiss	1.78	1.36	0.69	0.11	0.11	0.11	0.11	0.11	0.11
U.S.	1.78	1.36	0.69	0.11	0.11	0.11	0.11	0.11	0.11
Other Dollar Values									
Argentine peso	0.0009								
Australian dollar	1.36								
British pound	1.78								
Canadian dollar	1.78								
French franc	1.78								
German mark	1.78								
Italian lira	1.78								
Japanese yen	1.78								
Swiss franc	1.78								
U.S. dollar	1.78								
Forward Rates									
30-day	1.78								
60-day	1.78								
90-day	1.78								
180-day	1.78								
360-day	1.78								

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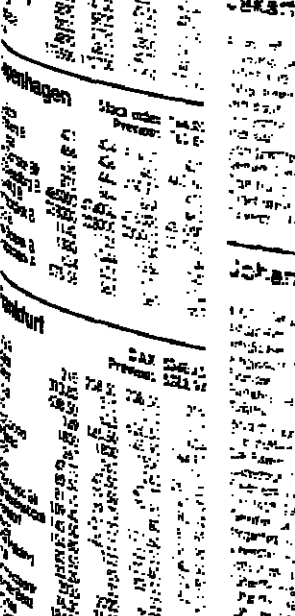
Meet the Olympus D1000 Digital Voice Recorder with ViaVoice Transcription. Sleek and ultra-compact, the D1000 records your voice digitally, and user-proven IBM speech recognition technology to transcribe your recordings automatically. It's the ultimate in mobile dictation convenience.

**DIGITAL VOICE RECORDER D1000**  
with ViaVoice Transcription

Olympus Optical Co. (Europe) GmbH. Visit <http://www.olympus-europe.com> or call (49) 40-237730



## Mellon Rejects Bank of New York's Bid



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# Aerospace Invitation To Swedes

New Partner Is Sought  
In Restructuring Effort

**Reuters**  
LONDON — Industry ministers from five European countries said Wednesday that they would invite Sweden to take part in talks on consolidating Europe's aerospace and defense industries to counter strong competition from the United States.

Ministers from Britain, France, Germany, Spain and Italy said they welcomed progress made so far toward restructuring and gave some details of the proposed integrated European aerospace company.

European governments want to consolidate the aerospace industry by merging Europe's fragmented companies into a group big enough to compete against U.S. giants such as Boeing Co. and Lockheed Martin Corp.

British Aerospace PLC, France's state-controlled Aerospatiale and Daimler-Benz Aerospace AG said in March that they had agreed in principle to form a European giant. The three companies are already partners, with Construcciones Aeronauticas SA of Spain, in the Airbus civil aviation consortium, which is expected to be part of the new group.

The four companies that have stakes in Airbus said they were open to other companies joining in the European restructuring, such as Italy's Finmeccanica SpA, Sweden's Saab AB and France's Dassault Aviation SA and Lagardere SA's Manra unit.

Analysts believe that the Airbus partnership, which is to be turned into a "single corporate entity," will probably serve as the model for streamlining the rest of Europe's civil and military aerospace industry.

The biggest hurdle to the formation of a pan-European defense group has been raised by France, which objects to the privatization of its state-dominated industry.

The ministers stressed that the new Airbus company should meet a target of being "fully in place" on Jan. 1, 1999.



**A WORKING PLAN?** — Technology Minister Juergen Ruetters, left, Labor Minister Norbert Blum, center, and Economics Minister Guenter Rexrodt smiling in Bonn on Wednesday as the cabinet announced an "action plan" to help reduce unemployment this year by 200,000 people.

# Shell Won't Fight Climate Treaty

By Martha M. Hamilton  
Washington Post Service

**WASHINGTON** — Royal Dutch/Shell Group has dealt a blow to the oil industry's efforts to fight the Kyoto Treaty on global warming by withdrawing from a coalition of oil companies, automakers, electric utilities and others opposed to the agreement.

Mark Moody-Stuart, who is to become chief executive of Shell on July 1, said Tuesday in London that Shell, the world's largest publicly traded oil company, had decided not to renew its membership in the so-called Global Climate Coalition at the end of this year because of a fundamental difference of opinion. Shell supports ratification of the treaty, which would restrain increases in fossil-fuel emissions that have been blamed for global warming.

Executives at several oil companies have begun focusing on how to reduce emissions of greenhouse gases rather than debating whether

fossil fuels are changing the world's climate. Shell's move underscores differences between oil and energy companies based in the United States and their counterparts based in Europe, where more of a consensus exists over the need to reduce emissions of greenhouse gases.

Gail McDonald, president of the coalition that opposes the treaty, said

she met with Shell executives last week when they came in to discuss the coalition's strategic plan.

"Since they support ratification, they felt we had a serious divergence of views, which we did," she said. "We're disappointed. We always hate to lose a member, but we certainly understand it if they differ from us on a major issue."

# 2 Chipmakers Post Higher Profits

Compiled by Our Staff From Dispatches

**AMSTERDAM** — Two of Europe's biggest semiconductor makers reported higher profits Wednesday, but one of them, Siemens AG, warned that Asia's financial turmoil would chip earnings this year. Siemens said profit for the six months that ended March 31 rose 27 percent, to 1.37 billion Deutsche marks (\$763.5 million), on a 17 percent increase in sales, to 52.1 billion DM. But it said it would fall short of its full-year profit forecast of 3 billion DM because of falling prices for memory chips. Philips Electronics NV, which concentrates on specialty semiconductors and does not make memory chips, said first-quarter net profit rose 76 percent, to 1.56 billion guilders (\$773.6 million), on an 11 percent increase in sales, to 17.84 billion guilders. (APX, Reuters)

# GKN Group Wins Army Vehicle Work

Bloomberg News

**LONDON** — GKN PLC and two Continental partners won a contract Wednesday with a potential value of about \$5 billion to build armored troop carriers for the German, French and British armies.

The contract — awarded to GKN, Giat of France and a German group including Mannesmann AG's Krauss-Maffei unit — is initially for 600 vehicles, 200 for each country, to be delivered between 2004 and 2007 at a cost of more than \$1 million each. The governments said the number of vehicles ordered could eventually exceed 5,000.

The contract to build an eight-wheel troop carrier, or "battle taxi," is a litmus test for European cooperation as the region's fragmented defense industry squares off against its larger U.S.-based competitors.

"It's bound to spark some kind of consolidation in Europe," said Guy Hewitt, an analyst at Charterhouse Tilley Securities. "The Germans are quite keen to dominate in this area."

The defense ministers of Germany, France and Britain said jointly that the winning group had beaten a rival group including Vickers PLC and Alvis PLC of Britain, Henschel Werke AG of Germany and the Panhard unit of PSA Peugeot Citroen SA of France.

They said the Netherlands also wanted to join the program. Other countries also have shown interest.

The award may be a blow to Vickers, which has said it wants to concentrate on its defense business, propulsion technology and Cosworth engines business after it completes the sale of its Rolls-Royce Motor Cars unit.

But Vickers played down the impact. "This won't materially affect our prospects," said Brig Daniels, a spokesman for the company. Vickers Defense Systems, she said, is in "excellent shape," with the largest current U.K. order for armored fighting vehicles, and is "well positioned to win future orders in the U.K. and overseas."

The newly announced contract must be approved by Germany's Bundestag before the summer recess so that delivery times can be set.

Investor's Europe			
Frankfurt	London	Paris	
DAX	FTSE 100 Index	CAC 40	
5400	6200	4200	
5050	5800	3800	
4700	5400	3400	
4350	5000	3000	
4000	4600	2600	
3650	4200	2200	
1997	1997	1997	
1998	1998	1998	
1999	1999	1999	
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2026	2026	2026	
2027	2027	2027	
2028	2028	2028	
2029	2029	2029	
2030	2030	2030	

# Very briefly:

- Hoechst AG will sell its Trevira polyester unit to a joint venture of Koch Industries Inc. of the United States and Grupo Xtra of Mexico for more than \$2.7 billion as the German company seeks to focus drugs and farm chemicals.
- Euro Disney SCA, operator of the Disneyland Paris theme park, narrowed its loss in the six months ended March 31 to 205 million French francs (\$34.1 million), from 210 million francs a year earlier, on higher revenue and lower costs.
- Dassault Systemes SA's first-quarter profit rose 30 percent, to 141.3 million French francs, on stronger defense-software sales in Europe and the United States.
- De Beers Centenary AG, marketer of most of the world's diamonds, confirmed it was continuing to cut sales this year to buoy prices while Asia's economic woes depress demand.
- Volvo AB posted a first-quarter profit of 2.27 billion Swedish kronor (\$295.9 million), up from 2.24 billion kronor last year but lower than expectations. The automaker blamed heavy price pressure from increasing competition.
- Italy will save an estimated 10 trillion lire (\$5.64 billion) in debt service over the long term, analysts said, after the Bank of Italy cut interest rates by half a percentage point Tuesday.
- Adam Opel AG, a unit of General Motors Corp., will run 10 extra Saturday shifts at its plant in Bochum, Germany, from April to July to produce an extra 5,000 cars to meet strong demand for its new Astra model.
- Britain's Labour government released unemployment figures compiled by a new method that aims at identifying all those out of work, including people who do not qualify for unemployment benefits. Using the new method, unemployment stood at 6.4 percent of the labor force in the three months to February, below the 6.6 percent recorded using the same method in the previous three months but above the 4.9 percent obtained under the old rules. (APX, AP, Reuters, Bloomberg)

# WORLD STOCK MARKETS

Wednesday, April 22  
Prices in local currencies

High Low Close Prev.

Amsterdam

ABN-AMRO 54.80 52.90 53.30 53.80

Alcoa 24.50 23.50 23.50 23.50

Alcan 24.50 23.50 23.50 23.50

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NYSE

Wednesday's 4 P.M. Close

The 2,400 most traded stocks of the day.  
 Nationwide prices not reflecting late trades elsewhere.  
 The Associated Press.

12 Month High Low Stock Div Yld PE 100 High Low/Latest Chgs

12 Month High	Low	Stock	Div	Yld	PE	100 High	Low/Latest	Chgs
120	115	IBM	3.20	4.0	28	120	115	+5
115	110	Microsoft	0.00	0.0	15	115	110	+5
110	105	Apple	0.00	0.0	15	110	105	+5
105	100	Oracle	0.00	0.0	15	105	100	+5
100	95	Sun	0.00	0.0	15	100	95	+5
95	90	Novell	0.00	0.0	15	95	90	+5
90	85	Lotus	0.00	0.0	15	90	85	+5
85	80	Intuit	0.00	0.0	15	85	80	+5
80	75	Adobe	0.00	0.0	15	80	75	+5
75	70	McAfee	0.00	0.0	15	75	70	+5
70	65	VeriSign	0.00	0.0	15	70	65	+5
65	60	GoTo	0.00	0.0	15	65	60	+5
60	55	Excite	0.00	0.0	15	60	55	+5
55	50	MSN	0.00	0.0	15	55	50	+5
50	45	Comcast	0.00	0.0	15	50	45	+5
45	40	Time Warner	0.00	0.0	15	45	40	+5
40	35	Warner Bros	0.00	0.0	15	40	35	+5
35	30	Paramount	0.00	0.0	15	35	30	+5
30	25	Universal	0.00	0.0	15	30	25	+5
25	20	Disney	0.00	0.0	15	25	20	+5
20	15	Walt Disney	0.00	0.0	15	20	15	+5
15	10	Walt Disney	0.00	0.0	15	15	10	+5
10	5	Walt Disney	0.00	0.0	15	10	5	+5
5	0	Walt Disney	0.00	0.0	15	5	0	+5

12 Month High	Low	Stock	Div	Yld	PE	100 High	Low/Latest	Chgs
120	115	IBM	3.20	4.0	28	120	115	+5
115	110	Microsoft	0.00	0.0	15	115	110	+5
110	105	Apple	0.00	0.0	15	110	105	+5
105	100	Oracle	0.00	0.0	15	105	100	+5
100	95	Sun	0.00	0.0	15	100	95	+5
95	90	Novell	0.00	0.0	15	95	90	+5
90	85	Lotus	0.00	0.0	15	90	85	+5
85	80	Intuit	0.00	0.0	15	85	80	+5
80	75	Adobe	0.00	0.0	15	80	75	+5
75	70	McAfee	0.00	0.0	15	75	70	+5
70	65	VeriSign	0.00	0.0	15	70	65	+5
65	60	GoTo	0.00	0.0	15	65	60	+5
60	55	Excite	0.00	0.0	15	60	55	+5
55	50	MSN	0.00	0.0	15	55	50	+5
50	45	Comcast	0.00	0.0	15	50	45	+5
45	40	Time Warner	0.00	0.0	15	45	40	+5
40	35	Warner Bros	0.00	0.0	15	40	35	+5
35	30	Paramount	0.00	0.0	15	35	30	+5
30	25	Universal	0.00	0.0	15	30	25	+5
25	20	Disney	0.00	0.0	15	25	20	+5
20	15	Walt Disney	0.00	0.0	15	20	15	+5
15	10	Walt Disney	0.00	0.0	15	15	10	+5
10	5	Walt Disney	0.00	0.0	15	10	5	+5
5	0	Walt Disney	0.00	0.0	15	5	0	+5


12 Month High	Low	Stock	Div	Yld	PE	100 High	Low/Latest	Chgs
120	115	IBM	3.20	4.0	28	120	115	+5
115	110	Microsoft	0.00	0.0	15	115	110	+5
110	105	Apple	0.00	0.0	15	110	105	+5
105	100	Oracle	0.00	0.0	15	105	100	+5
100	95	Sun	0.00	0.0	15	100	95	+5
95	90	Novell	0.00	0.0	15	95	90	+5
90	85	Lotus	0.00	0.0	15	90	85	+5
85	80	Intuit	0.00	0.0	15	85	80	+5
80	75	Adobe	0.00	0.0	15	80	75	+5
75	70	McAfee	0.00	0.0	15	75	70	+5
70	65	VeriSign	0.00	0.0	15	70	65	+5
65	60	GoTo	0.00	0.0	15	65	60	+5
60	55	Excite	0.00	0.0	15	60	55	+5
55	50	MSN	0.00	0.0	15	55	50	+5
50	45	Comcast	0.00	0.0	15	50	45	+5
45	40	Time Warner	0.00	0.0	15	45	40	+5
40	35	Warner Bros	0.00	0.0	15	40	35	+5
35	30	Paramount	0.00	0.0	15	35	30	+5
30	25	Universal	0.00	0.0	15	30	25	+5
25	20	Disney	0.00	0.0	15	25	20	+5
20	15	Walt Disney	0.00	0.0	15	20	15	+5
15	10	Walt Disney	0.00	0.0	15	15	10	+5
10	5	Walt Disney	0.00	0.0	15	10	5	+5
5	0	Walt Disney	0.00	0.0	15	5	0	+5

12 Month High	Low	Stock	Div	Yld	PE	100 High	Low/Latest	Chgs
120	115	IBM	3.20	4.0	28	120	115	+5
115	110	Microsoft	0.00	0.0	15	115	110	+5
110	105	Apple	0.00	0.0	15	110	105	+5
105	100	Oracle	0.00	0.0	15	105	100	+5
100	95	Sun	0.00	0.0	15	100	95	+5
95	90	Novell	0.00	0.0	15	95	90	+5
90	85	Lotus	0.00	0.0	15	90	85	+5
85	80	Intuit	0.00	0.0	15	85	80	+5
80	75	Adobe	0.00	0.0	15	80	75	+5
75	70	McAfee	0.00	0.0	15	75	70	+5
70	65	VeriSign	0.00	0.0	15	70	65	+5
65	60	GoTo	0.00	0.0	15	65	60	+5
60	55	Excite	0.00	0.0	15	60	55	+5
55	50	MSN	0.00	0.0	15	55	50	+5
50	45	Comcast	0.00	0.0	15	50	45	+5
45	40	Time Warner	0.00	0.0	15	45	40	+5
40	35	Warner Bros	0.00	0.0	15	40	35	+5
35	30	Paramount	0.00	0.0	15	35	30	+5
30	25	Universal	0.00	0.0	15	30	25	+5
25	20	Disney	0.00	0.0	15	25	20	+5
20	15	Walt Disney	0.00	0.0	15	20	15	+5
15	10	Walt Disney	0.00	0.0	15	15	10	+5
10	5	Walt Disney	0.00	0.0	15	10	5	+5
5	0	Walt Disney	0.00	0.0	15	5	0	+5

12 Month High	Low	Stock	Div	Yld	PE	100 High	Low/Latest	Chgs
120	115	IBM	3.20	4.0	28	120	115	+5
115	110	Microsoft	0.00	0.0	15	115	110	+5
110	105	Apple	0.00	0.0	15	110	105	+5
105	100	Oracle	0.00	0.0	15	105	100	+5
100	95	Sun	0.00	0.0	15	100	95	+5
95	90	Novell	0.00	0.0	15	95	90	+5
90	85	Lotus	0.00	0.0	15	90	85	+5
85	80	Intuit	0.00	0.0	15	85	80	+5
80	75	Adobe	0.00	0.0	15	80	75	+5
75	70	McAfee	0.00	0.0	15	75	70	+5
70	65	VeriSign	0.00	0.0	15	70	65	+5
65	60	GoTo	0.00	0.0	15	65	60	+5
60	55	Excite	0.00	0.0	15	60	55	+5
55	50	MSN	0.00	0.0	15	55	50	+5
50	45	Comcast	0.00	0.0	15	50	45	+5
45	40	Time Warner	0.00	0.0	15	45	40	+5
40	35	Warner Bros	0.00	0.0	15	40	35	+5
35	30	Paramount	0.00	0.0	15	35	30	+5
30	25	Universal	0.00	0.0	15	30	25	+5
25	20	Disney	0.00	0.0	15	25	20	+5
20	15	Walt Disney	0.00	0.0	15	20	15	+5
15	10	Walt Disney	0.00	0.0	15	15	10	+5
10	5	Walt Disney	0.00	0.0	15	10	5	+5
5	0	Walt Disney	0.00	0.0	15	5	0	+5

12 Month High	Low	Stock	Div	Yld	PE	100 High	Low/Latest	Chgs
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115	110	Microsoft	0.00	0.0	15	115	110	+5
110	105	Apple	0.00	0.0	15	110	105	+5
105	100	Oracle	0.00	0.0	15	105	100	+5
100	95	Sun	0.00	0.0	15	100	95	+5
95	90	Novell	0.00	0.0	15	95	90	+5
90	85	Lotus	0.00	0.0	15	90	85	+5
85	80	Intuit	0.00	0.0	15	85	80	+5
80	75	Adobe	0.00	0.0	15	80	75	+5
75	70	McAfee	0.00	0.0	15	75	70	+5
70	65	VeriSign	0.00	0.0	15	70	65	+5
65	60	GoTo	0.00	0.0	15	65	60	+5
60	55	Excite	0.00	0.0	15	60	55	+5
55	50	MSN	0.00	0.0	15	55	50	+5
50	45	Comcast	0.00	0.0	15	50	45	+5
45	40	Time Warner	0.00	0.0	15	45	40	+5
40	35	Warner Bros	0.00	0.0	15	40	35	+5
35	30	Paramount	0.00	0.0	15	35	30	+5
30	25	Universal	0.00	0.0	15	30	25	+5
25	20	Disney	0.00	0.0	15	25	20	+5
20	15	Walt Disney	0.00	0.0	15	20	15	+5
15	10	Walt Disney	0.00	0.0	15	15	10	+5
10	5	Walt Disney	0.00	0.0	15	10	5	+5
5	0	Walt Disney	0.00	0.0	15	5	0	+5

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South Korea  
 Protest Layoff  
 Labor Demands End to Ja

SEOUL — A massive demonstration of thousands of workers in Seoul on Wednesday demanded the government end its policy of laying off workers in the face of a global economic downturn.

The protest, which took place in the heart of the capital, was the largest since the end of the 1997 Asian financial crisis. It was organized by the Korean Labor Union, which represents about 100,000 workers.

The union's leaders said that the government's policy of laying off workers was "unjust and inhumane." They demanded that the government instead focus on creating new jobs and supporting the existing workforce.

The protest was peaceful, but it did result in some minor damage to property. The police used tear gas to clear the area, and some workers were injured.

The government has defended its policy, saying that it is necessary to reduce the budget deficit and to attract foreign investment. It has also promised to provide financial support to laid-off workers.

The protest is part of a larger movement of workers across South Korea who are demanding better wages, working conditions, and job security.

Miguel Re-elects Cha

MANAGUA, Nicaragua — Miguel Alemán was re-elected president of the National Assembly on Wednesday, defeating his opponent, Carlos Fournier.

Alemán, who has been president of the assembly since 1995, won 54 votes to Fournier's 46. The assembly has 100 members in total.

Alemán's victory was seen as a sign of continuity in the assembly's leadership. He has been a strong advocate for economic reform and has worked to improve relations with the United States.

Fournier, on the other hand, has been more critical of the government's policies. He has called for greater transparency and accountability in the assembly's operations.

The election took place in a relatively calm atmosphere, with no major incidents reported. The results were announced by the National Electoral Tribunal.

CUBA: Ahead?

HAVANA — Cuba's economy is showing signs of improvement, but the government is still facing significant challenges, according to a report released on Wednesday.

The report, which was prepared by the United Nations Development Programme, says that Cuba's economic growth has slowed down in recent years. It also notes that the country's infrastructure is in poor condition and that the government is struggling to attract foreign investment.

Despite these challenges, the report also points out that Cuba has made significant progress in social services, particularly in education and healthcare. It also notes that the country's political system remains stable.

The government has responded to the report by saying that it is committed to economic reform and to improving the country's infrastructure. It has also promised to continue to provide high-quality social services.

The report is part of a larger effort by the United Nations to monitor Cuba's economic and social development. It will be used to inform the country's development strategy for the coming years.

INVESTMENT  
 INFORMATION

Real  
 MONEY REPORT

Money Column  
 in the IHT

Continued on Page 17

tribune

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ASIA/PACIFIC

# South Korea Unions Protest Layoff Pact

## Labor Demands End to January Accord

Compiled by Our Staff From Dispatches

SEOUL — Union leaders called for a review Wednesday of South Korea's layoff accord, accusing employers of sacrificing workers in their restructuring efforts.

The demand came in talks between President Kim Dae Jung and leaders of the Korean Confederation of Trade Unions.

There is no economic revival without solving the problem of jobless workers, said the confederation's head, Lee Kap Yong. "Accordingly, the layoff accord must be renegotiated."

Separately, a government research organization said restructuring South Korea's financial sector would cost nearly \$30 billion and said the country could face another crisis if it dithered too long.

In a blueprint for financial and corporate restructuring, the Korea Development Institute said the total bill for financial-sector reform would come to about 67 trillion won (\$49 billion) over five years.

South Korean banks bore the brunt of a record 17,000 bankruptcies last year as the slowest growth in four years throttled debt-laden companies.

The International Monetary Fund has prescribed wide-ranging financial reforms for the country in return for an aid package valued at almost \$60 billion.

As part of the reform drive, the

government, unions and employers made a layoff agreement in January that gave South Korean companies more flexibility in hiring and firing. But since then, the unions said, companies have taken advantage of the accord to slash work forces.

Mr. Kim promised to eradicate illegal layoffs and anti-union activities by employers but opposed a demand that the government obtain approval from unions in laying off state employees.

Mr. Lee and other union leaders strongly insisted that the unions be allowed to take part in management. They proposed pay cuts and shorter working hours to avoid mass layoffs.

Concern that labor unrest could escalate sent the stock market lower Wednesday, with Seoul's benchmark index falling 1.68 percent.

(AFP, Bloomberg, Reuters)

### Seoul Hires Morgan Stanley

South Korea hired Morgan Stanley Dean Witter & Co. to sell stakes in Korea First Bank and Seoul Bank, underscoring the government's willingness to cede control to foreigners instead of rescuing cash-strapped companies on its own, Bloomberg News reported from Seoul.

Morgan Stanley said it hoped to manage the sale of the government's 93.7 percent stake in each bank by July. It will spend three months examining the banks' books first.



Dockers who have been replaced by nonunion workers manning a picket line Wednesday in Sydney.

# Australian Dock Firm Gets Break

Compiled by Our Staff From Dispatches

MELBOURNE — A federal court extended a stay order Wednesday on an earlier decision ordering Lang Corp.'s Patrick Stevedores unit to reinstate the 1,500 waterfront workers it fired two weeks ago.

The stay order by three federal judges now is effective until Thursday, while Patrick seeks leave to appeal against the ruling that it must rehire the workers.

Patrick fired its entire unionized work force and hired nonunion members in its place.

Justice Tony North ruled Tuesday that Patrick must give the workers back their jobs until legal action by the workers' union challenging the firings is fully heard. Patrick is now seeking permission to appeal that decision.

Patrick says it cannot re-employ the workers because its subsidiary companies in charge of the employment are broke.

Two weeks ago, Patrick placed four companies that employed the waterfront workers into administration, a form of voluntary receivership, and then switched to a nonunionized work force supplied by eight separate labor contractors.

The unions suggested Wednesday that they might inject money into the failing Patrick subsidiaries.

When asked if the union might advance funds to the companies, John Coombs, the Maritime Union secretary, said that having come this far the companies "wouldn't go under from a lack of commitment from the union."

The insolvency firm in control of the companies, Grant Thornton, said it was trying to negotiate a cash injection from Patrick and the Maritime Union to keep the companies solvent so the union members, which they technically employ, could return to work. The government is also supporting Patrick, offering to set up a fund to pay for dockers' severance payments.

A spokesman for Patrick, David Reid, said the company will not resume operations in Newcastle, Adelaide, Port Kembla and Tasmania if ordered to reinstate the workers.

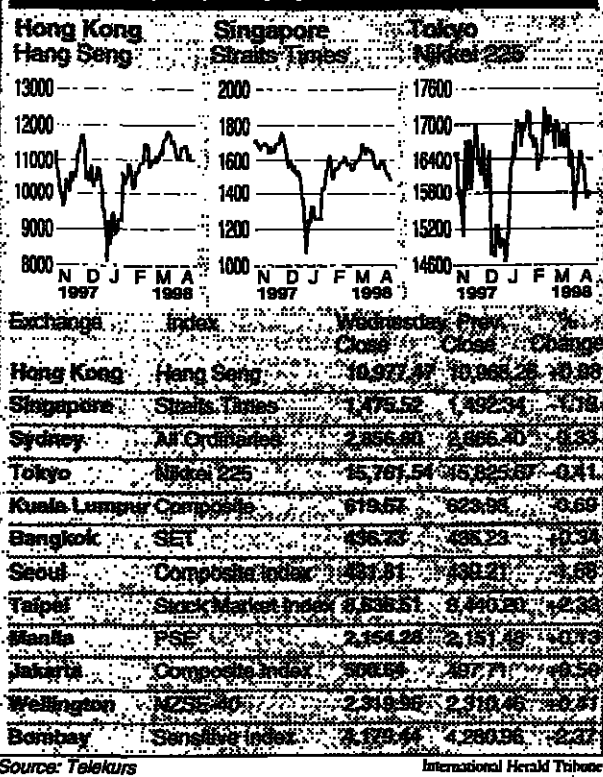
Meantime, the Maritime Union held out an olive branch to the nation's farmers, offering to allow perishable goods and essential agricultural chemicals to pass through blockades set up by picketing workers and their supporters.

Separately, in a demonstration of solidarity with the strikers, the National Council of Dock Workers' Unions of Japan decided Wednesday to block ships loaded in Australia by nonunion workers.

It was not immediately clear how many ships might be affected or when any action might begin, said Tetsuo Yamano, general secretary of the Tokyo branch of the group.

(Bloomberg, Reuters)

## Investor's Asia



## Very briefly:

• Global One, a joint venture of Deutsche Telecom AG, France Telecom SA and Sprint Communications Corp., will launch international phone service in Japan next month, targeting corporate customers.

• News Corp. shares fell 2.5 percent to 10.83 Australian dollars (\$7.03) after its chairman, Rupert Murdoch, confirmed he was separating from his wife, Anna.

• In Hong Kong, a 2,200-square-meter (23,680-square-foot) plot of land on Peking Road in the heart of the Kowloon district sold for 1.24 billion dollars (\$160 million) at a government land auction, a price largely in line with expectations.

• Kao Corp. of Japan, a maker of household products, will shut down its main facility in the United States at the beginning of June; the closing of the Plymouth, Massachusetts plant, at which it produces CD-ROMs and offers software services, will affect 200 workers and is to be followed by a sale of the plant's assets.

• Dai-ichi Inc. and Seiyu Ltd., leading Japanese retailers, reported weak results for the year ended Feb. 28. Dai-ichi reported a pretax loss of 25.82 billion yen (\$196 million), reversing a profit of 591 million yen a year earlier; Seiyu reported a 33.5 percent fall in pretax profit, to 5.65 billion yen.

• Intel Corp. said its business was strengthening in Asia and said robust expansion in China's personal-computer market and Taiwan's advanced-technology sector would bolster the microchip maker's growth.

(Bloomberg, Reuters)

## San Miguel Re-elects Chairman

Bloomberg News

MANILA — San Miguel Corp.'s newly shuffled board re-elected Andres Soriano 3d as chairman and chief executive officer Wednesday, signaling continuity for at least a few more months in the company's strategy, which has featured expansion in Asia.

In one of its first acts, the new board approved a plan to borrow 3.5 billion pesos (\$91.8 million) through the sale of commercial paper.

The re-election of Mr. Soriano, whose forefathers built San Miguel into the Philippines' largest food and beverage maker, came a day after Eduardo Cojuangco, a former chairman and ally of former President Ferdinand Marcos, regained three seats on the 15-member board.

## YUAN: A Slide Ahead?

Continued from Page 11

aged capitalism and foreign investment.

The black market is an open secret. Thousands of visitors buy Chinese currency every day from the dozen open-front shops that line the busy street running between the border and Shenzhen's train station.

Most customers simply walk straight up to the cashier at the first stall, which is about 20 meters from where border officials stand guard.

As a cover for his exchange business, Mr. Chen's shop displays traditional Chinese medicine, including tree bark for back pain, deer antlers for healthy blood and the popular Tian Xian liquid for treating intestinal cancer.

Nearby shops are piled high with other goods, including pirated compact disks, fake Nike sports shoes and Mickey Mouse bed linens. Few clients, however, walk out wearing new running shoes.

They ask the rate and hand over Hong Kong dollars in exchange for a large wad of Chinese yuan. The largest denomination of the Chinese currency is 100 yuan (\$12), making large transactions unwieldy.

"What happens here is only the small stuff," said one customer after changing 2,000 Hong Kong dollars. "The really big money changing takes place in completely safe places where people don't feel rushed counting all those Chinese notes you get."

Five minutes on foot from Shenzhen's train station, a much smaller black market has sprung up near the Hongkong & Shanghai Bank's automatic teller machines. Young men in dark coats can often be seen loitering in the vicinity of the bank, which has the only teller machine in Shenzhen that distributes Hong Kong dollars.

"Don't trust any of them here; they will try to rob you," said a magazine seller standing near the bank. "You are better off going to the main black market, where they won't take your money and run."

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**THE MONEY REPORT**  
every Saturday  
in the IHT.

**Herald Tribune**

## CUBA: U.S. Companies Make Overtures to Castro as They Wait for Embargo to End

Continued from Page 11

Inc., Pharmacia & Upjohn, Bristol Myers Squibb, Continental Grain, Case Corp., a unit of Tenneco, and Caterpillar Inc. — was the guest of Mr. Castro and his top ministers in Havana, and a follow-up trade show is proposed in September, according to the show's organizer, Kirby Jones of Alamar Associates.

For the most part, participants in such events describe them as fact-finding tours, although American companies are allowed to take such measures as signing nonbinding letters of intent with Cuban groups or registering trademarks and brand names.

Meanwhile, President Bill Clinton has widened ever so slightly some small cracks in the trade embargo. On March 20, he announced a measure to expedite shipments of drug and medical equipment, which are already exempt from the ban. He also authorized resumption of direct flights to Cuba and of remittances of as much as \$1,200 by Americans to relatives in Cuba, a measure that should increase sales for the approximately 100 American companies already allowed to trade with Cuba.

Those companies do a combined \$100 million-a-year business in Cuba — a drop in the bucket compared with the inroads being made by some of America's trading partners.

The Cuban government reports that companies from 25 countries have committed \$2 billion to 340 joint ventures and associations with the Cubans and have announced other deals valued at an additional \$4.5 billion.

Canada is the biggest foreign investor, accounting for one-third of the money flowing into the country, followed by Italy, Mexico, Spain, France and Holland. Sherritt International Corp. of Toronto is reportedly the most active foreign company, with \$800 million committed. The company produces 40 percent of Cuba's oil and is involved in mining, power generation, cell phones, tourism and agriculture, said Patrice Merin Best, senior vice president.

Mr. Castro, one of the world's last avowedly Marxist leaders, has made a series of concessions to the capitalist West since the collapse of the Soviet Union and the end of Moscow's \$3 billion-a-year subsidy to his economy. He has liberalized agriculture, allowed tourists to spend dollars and even invited the Pope for a visit in February. In 1995, his government created free-trade zones and allowed 100 percent foreign ownership in many sectors.

Until now, most American corporations have feared ap-

proaching Cuba's shores, even when it was legal. Medical sales, for example, have been allowed for years, but only 40 transactions have been licensed since 1992, and medical companies have given away more than they have sold. Another 10 exploratory licenses have been issued.

## Japan Hints at Sale of U.S. Bonds

Reuters

TOKYO — Eisuke Sakakibara, Japan's deputy finance minister for international affairs, hinted Wednesday that Japan stood ready to sell U.S. Treasury bonds to raise intervention funds — a comment seen as a sign of Tokyo's growing frustration with the markets.

Mr. Sakakibara said Japan had ample foreign reserves to intervene in the currency market. Asked about the possibility of selling U.S. Treasuries to fund intervention, Mr. Sakakibara said, "Well, you know, we can sell them anytime."

Japan holds about 25 percent of U.S. debt.

This announcement appears as a matter of record only.

**\$348,000,000**

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in partnership with Management and Co-investors has acquired

**UNIVERSAL COMPRESSION**

The undersigned assisted in the negotiations and acted as financial advisor to Castle Harlan Partners III, L.P.

**CASTLE HARLAN, INC.**

April 23, 1998 New York

**MINISTERIO DE ENERGIA Y MINAS**

**REPUBLIC OF ECUADOR**

**PETROECUADOR**

**INTERNATIONAL TENDER**

**FIRST SPECIAL BIDDING ROUND FOR THE PRODUCTION OF CRUDE OIL AND ADDITIONAL EXPLORATION OF HYDROCARBONS IN MARGINAL FIELDS IN THE REPUBLIC OF ECUADOR**

The Ecuadorian National Oil Company, PETROECUADOR, duly authorized by the Special Bidding Committee, (CEL), invites all national and foreign companies, already pre-qualified, to participate in the following Special Bidding Process:

Amazon Region: Special Tenders number: 001-UCCM-98 for the BERMEJO field; 002-UCCM-98 for the CHANANGUE field; 003-UCCM-98 for the CHARAPA field; 004-UCCM-98 for the OCANO-PEÑA BLANCA field; 005-UCCM-98 for the PACAY field; 006-UCCM-98 for the PALANDA-YUCA SUR field; 007-UCCM-98 for the PINDO field; 008-UCCM-98 for the PUMA field; 009-UCCM-98 for the SINGUE field; and 010-UCCM-98 for the TIGUINO field; for the Production of Crude Oil and Additional Exploration of Hydrocarbons.

The Technical and Economical Information for each field, as well as the Legal Documentation, Contracting Bases, Contract Pro-forma, Instructions, and all other bidding documents are available for purchasing as from 09H00 of Thursday, April 16, 1998, from PETROECUADOR's Petroleum Contracting Unit, Av. Amazonas No. 4600, Edificio Vivanco, sixth floor, in the city of Quito, Ecuador, phone number (593-2) 266536/266537/266538/266539, fax number (593-2) 262375, P.O. Box 5007/5008. Prior to the purchase of the informational packages, interested companies should deposit in the Treasury of PETROECUADOR, Av. 6 de Diciembre y Alpallana, Edificio Alpallana, mezzanine, a non refundable fee, by certified check issued by a bank established in Ecuador, for the following amounts:

For Participation Rights, individual for each field, the following amounts according to the fields of interest of the company or group of companies:

Bermejo	US\$ 30,000	Palanda-Yuca Sur	US\$ 20,000
Chanangue	US\$ 5,000	Pindo	US\$ 10,000
Charapa	US\$ 10,000	Puma	US\$ 10,000
Ocano-Peña Blanca	US\$ 5,000	Singue	US\$ 10,000
Pacay	US\$ 5,000	Tiguino	US\$ 20,000

Purchase of information for all ten fields: US\$ 100,000

If in the company's interest, and additional fee of US\$ 50,000 for the Mathematical Simulation Studies for one or all of the following fields: Bermejo, Charapa, Puma, Singue, Tiguino and Yuca Sur.

Offers will be received at the Secretariat of the Special Bidding Committee (CEL), Av. 6 de Diciembre y Alpallana, Edificio Alpallana, ninth floor, in the city of Quito, Ecuador, until 16H00 of Friday, May 29, 1998. All offers shall comply with the requirements indicated in the forms and instructions, in the document "General Instructions for Qualification and Submission of Offers for the Tender for the Production of Crude Oil and Additional Exploration of Hydrocarbons in Marginal Fields", and all other instructions conforming the informational packages.

**Alvaro Bermeo C.**  
MINISTER OF ENERGY AND MINES  
PRESIDENT OF THE CEL

**Luis A. Román L.**  
EXECUTIVE PRESIDENT OF PETROECUADOR  
SECRETARY OF THE CEL



AS - Australian Dollars; AS - Austrian Schillings;  
BF - Belgian Francs; CF - Canadian Dollars; Df -  
Deutsche Mark; Dd - Danish Kroner; Do - US  
Dollars; ECU - European Currency Unit; FF -  
French Francs; Td - Flemish Mark; Fl - Dutch  
Florin; Id - Indonesian Rupiah; Lf - Swiss Franc;  
Lf - Luxembourg Franc; Ptas - Pesetas; MYR -  
Malaysian Ringgit; Ptas - Pesetas; Sfr -  
Swiss Franc; Sfr - Swiss Francs; Sfr -  
Swedish Kroner; Td - Thai Baht; Y - Yen

The marginal symbols indicate frequency of quotations supplied: (d) - daily; (w) - weekly; (b) - bi-monthly; (f) - fortnightly; (r) - regularly; (t) - twice weekly; (m) - monthly; (s) - seasonally.



NASDAQ

Wednesday's 4 P.M.  
The 1,000 most traded National Market securities  
in terms of dollar volume, updated twice a year.  
The Associated Press.

Symbol	Price	Change
IBM	100.00	+0.12
MSFT	40.00	+0.10
GOOGL	25.00	+0.05
AMZN	15.00	+0.02
APPL	10.00	+0.01

Symbol	Price	Change
GOOGL	25.00	+0.05
AMZN	15.00	+0.02
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APPL	10.00	+0.01
MSFT	40.00	+0.10
IBM	100.00	+0.12

NYSE

Wednesday's 4 P.M. Close  
(Continued)

Symbol	Price	Change
IBM	100.00	+0.12
MSFT	40.00	+0.10
GOOGL	25.00	+0.05
AMZN	15.00	+0.02
APPL	10.00	+0.01

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APPL	10.00	+0.01
MSFT	40.00	+0.10
IBM	100.00	+0.12

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**WORLD ROUNDUP**

**Bulgaria Hits Stride**

**SOCCER** Germany wore down Nigeria, 1-0, in Cologne on Wednesday in a warm-up game between two of the favorites for the World Cup. It was one of several matches between teams heading for the World Cup finals.

Andreas Moller scored the only goal after 58 minutes — a volley from the edge of the penalty area after the Nigerian defense failed to clear.

In Sofia, Bulgaria beat Morocco, 2-1. Bulgaria, a 1994 semi-finalist, had lost to Argentina and Macedonia in their previous two games. It took the lead in the 10th minute when Luboslav Penev scored from a penalty kick.

Stoichkov, in his debut, scored the second with a close-range header. Salaheddine Basir scored for Morocco.

In Belgrade, Dejan Stankovic scored twice in his debut as Yugoslavia beat South Korea, 3-1. Defender Slavisa Jokanovic scored the third Yugoslav goal. Choi Yong Soo scored for South Korea.

In Copenhagen, Norway beat Denmark, 2-0. (APF, AP)



Abdellah Saber, No. 2, of Morocco tackling Stoichkov, one of Bulgaria's goalkeepers.

**Norman Has Surgery**

**GOLF** Greg Norman will miss the rest of the season after arthroscopic surgery Wednesday on his left shoulder.

"The procedure itself was a success," said Bart Collins, business manager for the 43-year-old Australian. "His arm will be in a sling for the next 10 days and after that he will be able to take it off from time to time to get some range of motion." (AP)

**Giants Release Hampton**

**FOOTBALL** The New York Giants released Rodney Hampton, 29, the leading rusher in team history, in a salary-cutting move. He had just 22 carries in two games last year and was due to make \$1.95 million in 1998. The Giants signed another running back, Gary Brown, who ran for 945 yards in San Diego last season, to a one-year \$400,000 deal. (AP)

**Recharged Sampras Gains Against Agassi**  
*In Match With Overtones, He Scores A Rare Victory on Monte Carlo Clay*

By Christopher Clarey  
International Herald Tribune

**MONTE CARLO** — It was a Wednesday, but Andre Agassi and Pete Sampras walked on court as if it were a Sunday: game faces and priorities firmly in place.

The former archrivals with the disparate personalities but similar gifts have been essentially out of synchronization since their last major match, the 1995 U.S. Open final.

Until the end of last year, Agassi struggled with either his health or his motivation while Sampras flourished. This season, when Agassi finally began to produce the sort of eager, relentless baseline tennis of which he is capable, Sampras was the one who slipped into a downward spiral partly of his own design.

But on this blustery day at the Monte Carlo Open, their life lines converged again. It might have been only a second-round encounter in an event that many Americans consider a glorified French Open warm-up, but it was clear from the opening exchange that it mattered a great deal to these Americans.

It was clearer still when Sampras coolly finished off his 6-4, 7-5 victory with an ace and a clenched fist while a hot and bothered Agassi quickly assembled his belongings and marched off court.

What must have bothered Agassi even more was that it was a clay court, the only sort of court on which Sampras has been consistently vulnerable throughout his career.

"I look at clay as a challenge," said Sampras, who has won every Grand Slam event except the French Open. "And a challenge is something that I like and need at this point in my career."

By his standards, Sampras has had a thoroughly forgettable early season: losing in the quarterfinals of the Australian Open, losing early at the Lipton Championships and losing his number one ranking to Marcelo Rios of Chile.

But in the four-week break he took before accepting a wild card into Monte Carlo, Sampras attempted to regain some of the fire and freshness he believes he lost by overplaying at the end of last season, a season he finished off in a Florida rehabilitation clinic after tearing a calf muscle during the Davis Cup final against Sweden.

"I really feel like I didn't have an off-season," he said. "I went to Australia really not in the best shape, and I felt for the first couple of months I've been kind of running on fumes, just kind of playing week by week and not really with a purpose."

But now I've had a pretty good break to get recharged up and motivated to play again. I started doing some training, started putting a little more time in off the court with my conditioning. You work a little bit harder, it pays off for you."

Not necessarily. Consider the case of Boris Becker, who despite being semiretired still managed to reach the third round on his least

favorite surface by defeating the No. 3 seed, Greg Rusedski of Britain, 6-4, 3-6, 6-3.

But hard work has been the key for Agassi, whose inspired play this year has lifted his ranking from 110th to a still-misleading 21st.

On Tuesday, in his first clay court match of the season, he swept past Todd Martin in straight sets, which was all the more impressive since Martin had just won the clay court event in Barcelona.

If Agassi could have played the important points with more aplomb, he might have beaten Sampras in straight sets, too.

He took a 2-0, 40-30 lead in the opening set but then meekly surrendered his early break by double-faulting and making two unforced forehand errors. That sudden display of mortality did wonders for Sampras's self-belief and at one stage in the set, he won 14 consecutive points as Agassi grumbled at himself.

"I just should have pulled the trigger earlier," Agassi said. "To beat Pete, even though he's not maybe playing his best, requires you to play aggressively at the right times."

In the second set, Agassi led, 5-3, 30-0, on his service and then made two more errors from the baseline. Sampras proceeded to break him with a backhand winner followed by a superbly struck forehand lob. He then lifted his level of play to break Agassi again in the 11th game to take firm control of a very uneven match.

"It was a little bit awkward for Andre and I to play each other in the second round," Sampras said. "I'm used to playing him later on in the tournament where I'm playing a little bit better. We were both a little bit nervous out there."

The last time these two met so early in a tournament was in their first professional match against each other, in 1989 in the second round of the Italian Open. Though Agassi won that clay court match, 6-2, 6-1, and their most recent encounter in February in the final in San Jose, California, Sampras now holds a 13-9 advantage overall and has won five of their last six matches.

But the statistic that mattered most to Sampras on Wednesday was that he had finally won a match in Monte Carlo. In three previous appearances here, the American had been about as fortunate as most high-rollers in this glided, cramped principality. In 1995, he even sprained his ankle in mid-match and had to be helped off court.

This year, he has finally made it past the opening hurdle, but clay court tennis is a steep climb, not a sprint, and in the round-of-16 on Thursday, Sampras must face Fabrice Santoro of France, a clever tactician who reached the final here last year and beat a two-time French Open champion, Sergi Bruguera, in two surprisingly straightforward sets on Wednesday.

"Everyone thinks I can't play on clay," Sampras said. "But I know deep down that I can play on this stuff. It's just more of a struggle."



Pete Sampras, right, and Andre Agassi heading in different directions Wednesday in Monte Carlo tennis.

**Iran's New Political Football: Soccer**

By Jere Longman  
New York Times Service

**TEHRAN** — Sixty thousand fans showed up at Azadi Stadium to cheer on the Iranian soccer team, which has qualified for the World Cup for the first time in 20 years. Skydivers parachuted into the stadium, smoke bombs rained from the stands, and two fans nicknamed Mustache and Tarzan prompted rhythmic chanting, using horns the way cheerleaders use megaphones.

But the support could not disguise a lack of defense, size and ability to put the ball into the net. Things grew ugly and dispiriting in a 2-0 loss to Hungary on Monday night in a four-team exhibition tournament. With 15 minutes left, fans began torching their newspapers and holding them aloft in protest. The newspapers continued to burn in the seats as the fans exited in disgust, and the game ended in a ghostly silence, as if the players were surrounded by abandoned campfires.

The Iranian team's fortunes improved on Wednesday afternoon when it beat Jamaica, 1-0, to take third place in the tournament. Hamid Estili scored the only goal with a penalty. Jamaica is also going to the World Cup finals.

Nineteen years after the Islamic revolution rebuilt Iranian society on religious fundamentalism, the revival of an old secular passion has gripped the country: soccer. Iran's qualification for soccer's world championship has imbued the country with pride and nationalism, has presented the nation an opportunity to continue emerging from isolation, and could even apply a little warmth to its frosty relationship with the United States. Teams from the two countries will meet on June 21 in Lyon.

But the success of the national soccer team is also woven into the politics of Iran. Soccer is widely seen as just the kind of slightly more secular, slightly more Western pastime tolerated by President Mohammed Khatami, who is considered less conservative than the other clerics who rule Iran. Mr. Khatami draws his most ardent support from some of the people who feel most passionate about soccer, such as students and women.

"For the last 20 years, there has been a lot of propaganda against us," said Mohammed Khakpour, a 29-year-old defender on the Iranian team. "Many people don't know who we are. I played in Singapore in 1996, and people wanted to know if I kept a gun in my house or if I rode a camel. Now we have an opportunity to present our country, our culture, our people. We don't have any problem with the American football players. This is a way to make friends and to show that we are good people."

The most exuberant and powerful display of devotion to the national team came on Nov. 29, when Iran became the last of 32 teams to qualify for the 1998 World Cup with a 2-2 draw in a playoff against Australia in Melbourne. After the team scored two late goals to earn a draw, a celebration erupted in Iran, the size and jubilation of which had not been seen since the overthrow of the shah in 1979. Around the country, millions left their jobs and their homes, massing in the streets in exultant demonstrations that cut across lines of class and gender.

Some women celebrated by removing the head scarves mandated by Islamic custom. Passers-by pelted the sides of buses. Soldiers handed out cookies.

When the soccer team returned on Dec. 2, it was ferried from the Tehran

airport to Azadi Stadium by helicopter to be greeted by 100,000 fans. Women are barred from attending matches, but as many as 5,000 of them pushed into the stadium against official warnings, some knocking down a gate to join the celebration.

This revival of national pride was seen by many as a political statement of the power of the young and of women and a reality check for conservatives who were powerless to stop this spontaneous outpouring. To some analysts, women in particular seemed to be saying that they wanted a greater place in society by claiming a place in the soccer stadium.

"It was the first physical demonstration of the promise of a more open society that Khatami brought with him," said R. K. Ramazani, a professor of government and foreign affairs at the University of Virginia who is an expert on Iran. "The law enforcement people were taken by surprise. If they had intervened, clashes would have been possible."

**I**F CONSERVATIVES are against soccer now, they admit it only at political risk. "There have been some violations of Islamic values, but no one can be against football because it is too popular," said Ali Rezaei, a political analyst.

World Cup fervor has led to discussions in the Iranian Parliament over whether to allow women to begin playing soccer for the first time since the 1979 revolution, and whether to admit women to men's games as spectators.

The rationale against allowing women to attend men's games is that they may be psychologically harmed by the emotional outbursts of male spectators, said Mohammed Khabiri, vice president of the Iranian soccer federation.

**CROSSWORD**

**ACROSS**

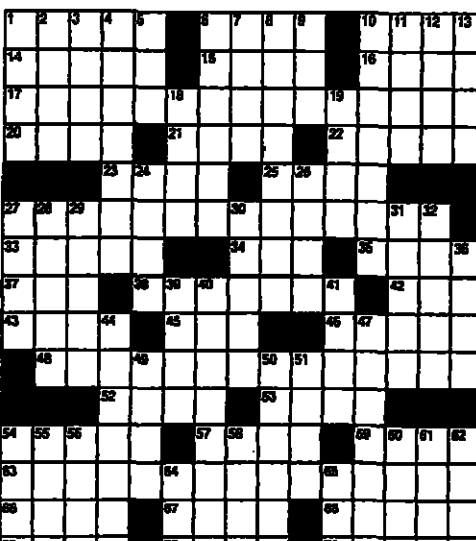
- 1 Mathis hit of '59
- 6 Jet-set sort
- 10 Starting point
- 14 Afro opener
- 15 Tabula
- 16 Ending with switch
- 17 Reasonable marriage expectation?
- 20 Sans mbers
- 21 Boot
- 22 Clueless
- 23 Hardens
- 25 College founder
- 27 Boston Strangler's cousin?
- 33 Warwick's "Little Prayer"
- 34 Stewed
- 35 Due
- 37 Put (on)
- 38 Seek earnestly
- 42 Suffix with glass
- 43 Fire
- 45 Spoiled
- 46 One who goes for the gold?
- 48 Hermit in husbandry?
- 52 Related (to)
- 53 Litter's filiest

**DOWN**

- 1 Part of G.M.T.
- 2 1993 Pulitzer playwright
- 3 Antidote fluids
- 4 Red Army founder
- 5 —hoo
- 6 Kick
- 7 Lummoes
- 8 Abstruse
- 9 Exhibited fear
- 10 "The Diary of Anne Frank" villains
- 11 Controversial 1960's magazine
- 12 "Tamerlane" dramatist
- 13 Late writer with a 1946 best seller
- 17 "Je ne..."
- 18 Snort Stuntson work
- 23 Response to "Let's eat!"
- 26 Jesus, for one
- 27 Jersey, e.g.
- 28 Gettysburg opponent of Lee
- 29 Street sound
- 30 Jazz singer Anita
- 31 Spurred
- 32 Tennis's Richards
- 36 Author Earl — Biggers
- 39 Orchestra part
- 40 England's westernmost cape
- 41 Nests, e.g.
- 44 Whopper topper
- 47 Whole thing?
- 48 —sh
- 50 Resolute
- 51 Kind of job
- 54 5000 Turbo, e.g.
- 55 Writer Ernie
- 56 Indian related to the Missouri
- 58 Atlas section
- 60 Use a trawl

**Solution to Puzzle of April 22**

TOGO ABRAHAM PARK  
OVER PRODD OKAY  
GABAGEPAILKIDS  
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THAT DEADAIR  
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RAILS SORELY  
DEMILLE GALA  
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JUNKFOODJUNKIES  
OREL ELIOT OMER  
SERE RENEE ZEDS



© New York Times/Edited by Will Shortz

**Still 'Pretty,' Ali and His Aura Dance On**

New York Times Service

**NEW YORK** — A Jewish home for the aged, inhabited mainly by Holocaust survivors, was in danger of closing in Manhattan for lack of money. A spot on the television news described the plight.

Soon after, a call was received at the home. "This is Muhammad Ali," the voice said, "and I want to donate a hundred thousand dollars so the old folks don't have to move out."

The director of the home believed it was a crank call and hung up. The phone rang again. Same voice: "It's me. I'm the champ." Same hang-up.

On the third try, Muhammad Ali convinced the woman that it was really him. His \$100,000 helped save the home. That was 20 years ago.

"She promised she wouldn't tell anybody," Ali recalled Tuesday, in the indistinct voice that is the result of Parkinson's syndrome. "I don't look for praise for good deeds, except from God. God knows what people do. God would say, 'You want them to praise you?'"

The incident with the Jewish "old folks" home, as Ali called it, happened to be remembered by a visitor to Ali's Manhattan hotel suite. He was in New York to receive an award. The citation referred to Ali's efforts for "world peace." But what, he was asked, can one individual do for world peace.

Vantage Point/IRA BERKOW

He said something, which only his wife, Lonnie, could make out. They have been married for 12 years, and she hears well what others strain to catch.

"I want to do whatever I can," Ali had said. What he does, it seems, is bring love. Like when a small boy in the hotel lobby asked for his autograph, got it, and then stood on tiptoe to kiss him.

"Ali is moved by people," Lonnie Ali said, "and by human suffering. What he does, he does from the heart. When we went into the Afghan relief village last year, Ali would find the dirtiest, most godforsaken kids, with sores and runny noses, and he'd pick 'em up, put 'em on his lap and hug on 'em, and kiss on 'em."

You sound like a Mother Teresa, the visitor said. Ali ran a slow hand around his broad face. "Prettier," he said.

He has always been pretty, though, at 56, he is slower in stride and has put on more than a few pounds since he was the world heavyweight champion: He reached for a bag of oatmeal cookies.

"No other champs, not Sugar Ray Robinson, not Joe Louis, none of 'em did what I did," he said. "Sugar Ray was a beautiful fighter, and Joe, he brought pride to the black people. But I

was controversial. I didn't believe in the Vietnam War. And I won that fight. I changed my name from Cassius Clay to Muslim. Ali that put together makes it different. And no one ever predicted the round he'd knock someone out in, and in poetry."

Ali once told Joe Louis that if both were in their prime, Ali would beat him. Louis said, "You know I had a Bum-of-the-Month club." Ali said, "I know," Louis said, "You'da been one of the bums."

Ali smiled when this was recalled. "Been no contest," he said. Then he pushed back from his chair, and rose. "Joe shuffled," he said. His tie dangling, Ali imitated Louis's crouch. "I danced. He couldn't have touched me."

Suddenly his fists were jabbing and hooking. And Ali, whose gait only a half-hour earlier was as stiff as that of a sleepwalker, was doing the Ali Shuffle. He put it into overdrive, his feet flying, his belly jiggling. Enough. He grinned, slumped back into the chair. He was breathing hard.

"The Shuffle," he said, between nearly closed lips, "gonna make you scuffle." The Champ laughed and reached for another cookie.

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الرياضة



SPORTS

# Hampton Wins No. 4 As Astros Beat Mets

## Left-Hander Leads League After Shutout

The Associated Press  
This time last year, Mike Hampton was a struggling pitcher with a losing record. Now he's the hottest pitcher in the National League.

Hampton tossed a seven-hitter Tuesday night in New York to become the majors' first four-game winner as the Houston Astros beat the New York Mets, 6-0. Aron Sele of the Texas Rangers gained his fourth victory later in the evening.

"Everything is just going my way right now," he said.

Hampton started off 3-7 last season before turning it around and finishing with a career-best 15-10 record. Over-

all, he has won 16 of 19 decisions since the Astros' manager, Larry Dierker, briefly yanked him from the starting rotation during his slump last season.

"It didn't come easy to him at all," Dierker said. "He kept trying and trying. About halfway through last season, he got a hold of it. Now, he's a believer."

Hampton struck out eight and walked one for his fourth career shutout.

"He did a good job of throwing strikes on both sides of the plate," the Mets' Brian McRae said. "When we put pressure on him, he made even better pitches than he did with no one on base."

Hampton had a scary moment in the sixth inning when he was hit in the right forearm by a line drive by Edgaro Alfonzo. The left-handed pitcher threw out the batter, but walked John Olerud and gave up a two-out single to Butch Huskey before McRae's inning-ending grounder. "It went numb for a little bit," Hampton said. "My fingers cringed up and I couldn't straighten them out."

Hampton received offensive support from Moises Alou and Brad Ausmus, who both homered for the Astros.



The Yankees' Derek Jeter holding on to first base even though he was doubled up on a line drive to the pitcher.

# Rangers' New Starter Is Still Perfect

The Associated Press  
Aaron Sele became the first starter to begin his Texas Rangers career with four successive victories.

Sele, traded by Boston in November, pitched a four-hitter and struck out 10 for his second shutout of the season as the Rangers beat the Tampa Bay Devil Rays, 4-0. He had not pitched a shutout in 108 career starts when Boston sent him to Texas. Last year he was 13-12 but had a 5.38 earned run average.

Red Sox 11, Tigers 4. Nomar Garciaparra homered twice and tied a career-high by driving in five runs as Boston won at Tiger Stadium.

Cecil Fielder hit his first home run for the Angels in his 60th at-bat of the season.

Athletics 5, Twins 4. Kurt Abbott doubled home the winning run in the 12th inning as Oakland sent visiting Minnesota to its sixth loss in a row.

triple by Bernie Williams.

Indians 14, White Sox 6. David Justice homered and drove in four runs as Cleveland handed Chicago its fourth straight

## AL ROUNDUP

loss, Albert Belle, a former Indian who made an obscene gesture at abusive fans last year at Jacobs Field, was booed in his return. He went 1 for 3, raising his average to .177 for the White Sox.

Orioles 8, Angels 3. Chris Hoiles homered, doubled and drove in three runs as Baltimore won at Anaheim.

Cecil Fielder hit his first home run for the Angels in his 60th at-bat of the season.

Athletics 5, Twins 4. Kurt Abbott doubled home the winning run in the 12th inning as Oakland sent visiting Minnesota to its sixth loss in a row.

Dave Magadan hit a run-scoring single with two outs in the ninth off the Twins' closer, Rick Aguilera, tying it at 4.

Royals 5, Mariners 3. Hal Morris singled home the tiebreaking run in the eighth inning and Kansas City stopped Seattle's six-game winning streak.

The Mariners left the bases loaded in the fourth, sixth and seventh innings.

Seattle lost a run in the first when Ken Griffey, trying to score from second base on a single, ran over plate umpire Rich Garcia. TV replays showed Griffey was safe, but Garcia got up and called him out.

Randy Johnson, the Seattle pitcher, was suspended for three games Tuesday by Gene Budig, the American League commissioner, for throwing a fastball too close to Kenny Lofton's head last week in Cleveland.

The penalty takes effect Friday.

## SCOREBOARD

### BASEBALL

#### MAJOR LEAGUE STANDINGS

##### AMERICAN LEAGUE

###### EAST DIVISION

Team	W	L	Pct.	GB
New York	11	5	.688	0
Boston	12	6	.684	0.5
Baltimore	7	12	.364	7.5
Tampa Bay	7	13	.350	8
Toronto	8	11	.421	6.5

###### CENTRAL DIVISION

Team	W	L	Pct.	GB
Cleveland	12	6	.684	0
Kansas City	9	11	.450	4.5
Minnesota	7	12	.364	5.5
Chicago	6	11	.353	5.5
Detroit	7	13	.350	7

###### WEST DIVISION

Team	W	L	Pct.	GB
Texas	12	5	.706	0
Seattle	9	11	.450	4.5
Anaheim	8	10	.444	4.5
Oakland	6	12	.333	6.5

##### NATIONAL LEAGUE

###### EAST DIVISION

Team	W	L	Pct.	GB
Atlanta	12	7	.632	0
New York	11	7	.611	0.5
Philadelphia	7	10	.412	4.5
Montreal	5	13	.278	6.5
Florida	5	14	.263	7

###### CENTRAL DIVISION

Team	W	L	Pct.	GB
Milwaukee	12	5	.706	0
St. Louis	12	6	.684	0.5
Chicago	7	10	.412	4.5
Houston	7	10	.412	4.5
Cincinnati	7	10	.412	4.5

###### WEST DIVISION

Team	W	L	Pct.	GB
San Diego	10	9	.526	0
San Francisco	10	9	.526	0
Los Angeles	8	10	.444	1.5
Colorado	7	10	.412	1.5
Arizona	6	14	.300	5.5

### TUESDAY LINESCORES

#### AMERICAN LEAGUE

Boston	230	400	101-11	12	1
Detroit	616	000	102-4	7	2

### NATIONAL LEAGUE

#### MAJOR LEAGUE STANDINGS

##### AMERICAN LEAGUE

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Houston	7	10	.412	4.5
Cincinnati	7	10	.412	4.5

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Los Angeles	8	10	.444	1.5
Colorado	7	10	.412	1.5
Arizona	6	14	.300	5.5

### TUESDAY LINESCORES

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Detroit	616	000	102-4	7	2

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#### MAJOR LEAGUE STANDINGS

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Team	W	L	Pct.	GB
Atlanta	12	7	.632	0
New York	11	7	.611	0.5
Philadelphia	7	10	.412	4.5
Montreal	5	13	.278	6.5
Florida	5	14	.263	7

###### CENTRAL DIVISION

Team	W	L	Pct.	GB
Milwaukee	12	5	.706	0
St. Louis	12	6	.684	0.5
Chicago	7	10	.412	4.5
Houston	7	10	.412	4.5
Cincinnati	7	10	.412	4.5

###### WEST DIVISION

Team	W	L	Pct.	GB
San Diego	10	9	.526	0
San Francisco	10	9	.526	0
Los Angeles	8	10	.444	1.5
Colorado	7	10	.412	1.5
Arizona	6	14	.300	5.5

### TUESDAY LINESCORES

#### NATIONAL LEAGUE

Boston	230	400	101-11	12	1
Detroit	616	000	102-4	7	2

### TRANSITIONS

#### BASEBALL

##### AMERICAN LEAGUE

###### EAST DIVISION

Team	W	L	Pct.	GB
New York	11	5	.688	0
Boston	12	6	.684	0.5
Baltimore	7	12	.364	7.5
Tampa Bay	7	13	.350	8
Toronto	8	11	.421	6.5

###### CENTRAL DIVISION

Team	W	L	Pct.	GB
Cleveland	12	6	.684	0
Kansas City	9	11	.450	4.5
Minnesota	7	12	.364	5.5
Chicago	6	11	.353	5.5
Detroit	7	13	.350	7

###### WEST DIVISION

Team	W	L	Pct.	GB
Texas	12	5	.706	0
Seattle	9	11	.450	4.5
Anaheim	8	10	.444	4.5
Oakland	6	12	.333	6.5

##### NATIONAL LEAGUE

###### EAST DIVISION

Team	W	L	Pct.	GB
Atlanta	12	7	.632	0
New York	11	7	.611	0.5
Philadelphia	7	10	.412	4.5
Montreal	5	13	.278	6.5
Florida	5	14	.263	7

###### CENTRAL DIVISION

CENTRAL LEAGUE				
Team	W	L	Pct.	GB
Milwaukee	12	5	.706	0
St. Louis	12	6	.684	0.5
Chicago	7	11	.389	4.5
Minnesota	6	12	.333	5.5
Cincinnati	5	13	.278	6.5
Pittsburgh	4	14	.286	7.5



## ART BUCHWALD

## It Fits the Crime

WASHINGTON — Ordinarily, I do not believe in long prison sentences, but there are exceptions. I have come to the conclusion that a person should get life without parole if he or she is behind a premeditated junk call to an innocent subscriber.

I am not talking about junk calls from brokerage companies or mail-order steak houses. They deserve punishment, too, but life without parole should be reserved for a certain type of junk call. Namely, the phone companies that are using their instruments to sell us long-distance service, the Internet and other communication devices.

The other day I was in the shower when the phone rang. It was AT&P telling me how I could save \$400,000 a month just by using its services.

Dripping wet, I asked, "The same AT&P that recently got rid of its president who had been appointed a year ago and who then said good-bye with a

\$25 million golden parachute? The same president who also demanded that AT&P reimburse him \$3.5 million for the house he bought when he took the job?"

The voice on the other end of the line said, "I wouldn't know anything about that. They don't tell us anything good in the basement."

"Why would the telephone company get a man out of the shower when he hasn't even washed the soap off?"

"We want to save you thousands of dollars in long-distance fees. This call is your ticket to a brave new world."



Buchwald

It was enough for me, and I made a mental note to advocate life without parole to the executives who dragged me out of the shower. The phone rang again. It was a woman from MNI. If I switched to her company I would get 50 percent off every long-distance call I made in the AT&P area. In one year I would wind up with the same income as Bill Gates.

## Berlin Fellowships

NEW YORK — The playwright Arthur Miller, the author Ward Just, the poet C.K. Williams and the filmmaker Errol Morris are among 16 American scholars, artists and other professionals who have been named the first recipients of Berlin Prize Fellowships.

The residential fellowships for independent study are to be an annual award by the American Academy in Berlin, an institute for advanced study of the arts, culture and public affairs.

I immediately called the Justice Department and recommended that everyone at MNI be incarcerated for life with hard labor.

I hung up only to hear from Speed. The man on the other end even knew me by name — my first name. "Art, I've got good news for you. You can now talk to your child in Singapore for the same price it costs you to speak to him in Albany. If you subscribe to Speed, Martha Stewart will come to your house and wash your windows."

It was quite an offer, and I took it. But I gave up taking showers because you never know what phone company is going to call you just when you've lathered up the shampoo in your hair.

The soprano Renee Fleming will take over for Angela Gheorghiu in a new production of Verdi's "La Traviata" at the Metropolitan Opera. Gheorghiu and her husband, the tenor Roberto Alagna, originally were to sing the leads of Violetta and Alfredo, but the Met's general manager, Joseph Volpe, withdrew the contracts this month, saying the pair had wanted design approval of Franco Zeffirelli's production. Fleming will sing the first four performances of "Traviata," starting on Nov. 23. Patricia Racette will sing the next four and Alinhos Arteta, who had been scheduled as Gheorghiu's cover, will sing the final five. Marcelo Alvarez will take over from Alagna.

Former Prime Minister Albert Reynolds of Ireland may be about to embark on an artistic career, drawing inspiration from

## Michael Moore, Sticking Out Like a Sore Thumb

By Rita Kempley

Washington Post Service

WASHINGTON — Michael Moore has done for documentary films what Whiz did for cheese: made the dry form accessible, fun even, for the ordinary Joe or Jane, the very audience the native son of Flint, Michigan, wants to reach and aims to please.

The writer, director and raconteur, who shambled onto the scene as the impudent protagonist of "Roger & Me," is up to his old tricks in "The Big One," a scathingly funny look at corporate hubris and political bombast.

Some critics have suggested that "The Big One" refers to the 270-pound filmmaker, who shot the picture during a promotional tour for his book, "Downsize This!" then goes and appears in virtually every scene. But Moore begs to disagree.

"If I were writing the review, I would say this is a selfless film by a guy who could have taken the money from 'Roger & Me' and gone on and made goofy summer-camp movies. I got offered a million dollars to do a Dunkin' Donuts commercial a couple of weeks ago."

No question he turned Dunkin' down. Though he has undoubtedly eaten his share of pastries, it is against his principles to lend his name to any product. "I knew when I was in the editing room that some critics weren't going to want to look at me for 90 minutes," he says. "I knew they were going to nail me: 'Enough already of this guy.'"

But they don't ask Woody Allen or Robin Williams why they're in all the scenes in their movies. They don't call them egomaniacs. I mean, it is my movie, it's my statement. And I'm sorry that you've got to look at me. I'm not Tom Cruise. So I'm not sitting there in the back of the theater going, 'Look at me. I'm up there entertaining the masses with my good looks and debonair sense of humor.'"

The son of an Irish assembly-line worker and a clerk-secretary, Moore was born with a blue collar



Dana Smith/The Washington Post

Moore is up to his old tricks in "The Big One," a look at corporate hubris and political bombast.

and raised on the gospel according to Walter Reuther, a decent wage for a decent day's work. "My uncle was in the sit-down strike that founded the UAW in the '30s," he says proudly. And while he is often labeled a political activist, he considers himself "a citizen in a democracy, and that should imply political activism."

"Democracy is not a spectator sport," he says. "I hope I'm making my small contribution as a citizen by shedding some light on the social condition. When I grew up there were films from 'A Clockwork Orange' to 'Z' to 'Dog Day Afternoon' that dealt with the social condition. Today that's rare, so I stuck out like a sore thumb, and it shouldn't be that way."

Documentary filmmakers are trained to follow a script or a

theme, Moore explains. He decided to follow the schedule set by his publisher, Random House, and see what happened.

"Nothing was planned in advance. The week we show up in St. Louis is the last week for those Payday workers. The day I shot in Milwaukee, we're getting lunch in the food court at the Mall of America and meet the ex-con who was a TWA reservations clerk while he was in jail."

While the guerrilla filmmaker makes his parent house calls on various corporate executives, all but one are as elusive as General Motors' chairman, Roger Smith, whom Moore pursued with such hilarious futility in his 1989 debut, "Roger & Me." Astonishingly, the chairman of Nike, Phil Knight, one of Moore's "favorite corporate

crooks," invited him over to the Nike campus for a strange and unguarded pair of interviews.

Knight, who genuinely seems to believe in Nike's altruism, must have imagined he could justify his company's practices and his own dubious sentiments. Asked to justify the export of U.S. jobs overseas and its use of underpaid, underage laborers, Knight doesn't miss a beat. "Americans just don't want to make shoes," he says.

While he fiddled around with the time line in "Roger & Me," the Corporate Avenger will not betray the expectations of his audience.

"A lot of people forget where they come from," he says. "Like the other day, Bill Clinton said, 'If I were Joe Sixpack ...' And I'm thinking, what do you mean 'if'? You are Joe Sixpack. Just because

you went to Yale and Oxford doesn't mean you're not from the working class. You are one of us, and let me tell you, Buddy, that's the reason why a lot of people voted for you."

Moore, who lived in Washington for several years, had hoped to pop in on a few of his favorite politicians. Congress wasn't in session, so he had to be satisfied with bugging the folks at the ABC-TV bureau just below his hotel room.

When a photographer tried to take his picture, Moore shined his lights into the bureau's window. When staffers finally looked up to see what was going on, the big man was tickled silly with his prank. It was a Bart Simpson moment and one wholly in keeping with the tone of Moore's work.

That impudence and ill-disguised ire inform his projects and endear him to his fans. "I make something that's what I do, but they come from a place inside of me that is really filled with outrage at the social condition," Moore says, jabbing a finger into his chest. "And release for it is through my humor."

And that's true, whether former Mother Jones magazine editor is writing a best-selling book against downsizing, creating jobs, or to replace "Roseanne" as a playing host on the soon-to-be-surrected "TV Nation."

"If there's anything I have said to say," he says, "it's that those of us who come from the working class, we've got half a brain, but you never hear our voices, or our art. We usually don't make movies, we don't have TV shows, we don't own newspapers, so I've been very privileged that I've been able to fly in under the radar of a system that really wasn't made for me."

"I'll be happy, honestly, if the average working stiff goes to my movie and gets a good cathartic laugh at the powers that be, then goes home and says, 'Well, I finally spent seven dollars and got my money's worth at the movies. For an hour and a half somebody was on my side.'"

## PEOPLE

FRIENDS and fans gathered in Santa Barbara, California, to pay tribute to Linda McCartney, who spent her last days at the seaside resort. Hundreds held candles under the stars as music floated through the cool night air. A photograph of McCartney was propped on a stage, surrounded by flowers and candles. The wife of Paul McCartney died of breast cancer Friday at age 56. "The people of Santa Barbara need to gather together and pay respects to someone we really felt was part of our family," said Martin Lewis, a Beatles historian. The singer Eric Burdon and other stars performed at the concert and poetry reading.

The soprano Renee Fleming will take over for Angela Gheorghiu in a new production of Verdi's "La Traviata" at the Metropolitan Opera. Gheorghiu and her husband, the tenor Roberto Alagna, originally were to sing the leads of Violetta and Alfredo, but the Met's general manager, Joseph Volpe, withdrew the contracts this month, saying the pair had wanted design approval of Franco Zeffirelli's production. Fleming will sing the first four performances of "Traviata," starting on Nov. 23. Patricia Racette will sing the next four and Alinhos Arteta, who had been scheduled as Gheorghiu's cover, will sing the final five. Marcelo Alvarez will take over from Alagna.

Former Prime Minister Albert Reynolds of Ireland may be about to embark on an artistic career, drawing inspiration from

the works of Andy Warhol. What Warhol did for Campbell's Soup cans in 1965, Reynolds hopes to do with a can of dog food made by his family's pet-food factory. The painting titled "The Source," on show at Dublin's Oriel Art Gallery, is expected to fetch up to 400 pounds (\$560) when it goes under the hammer at a charity auction Saturday.

The adopted daughter of Dustin Hoffman was sentenced to 180 hours of community work after pleading guilty to stealing checks and obtaining money by deception. Karina Hoffman-Birkhead pleaded guilty to stealing about \$5,000 (\$8,400) in checks and cash from her employer, a company in southern

## Van Gogh or Not Van Gogh?

New York Times Service

NEW YORK — The Van Gogh Museum of Amsterdam will hold a symposium in London next month to consider whether a \$39.9 million painting is a real Van Gogh or just a skillful fake? One version of "The Sunflowers" is in the Van Gogh; a second is in the National Gallery in London, and the third is in Tokyo in the collection of Yasuda Fire and Marine Insurance. Rumors about the Yasuda "Sunflowers" have been circulating for some time, and the symposium is meant to rule on the matter.

England that rents trailers to film companies. Hoffman-Birkhead said she had taken the money because of financial problems following a divorce.

Former President Gerald Ford had kind words for the legal profession — but not for lawyers who split time between the courthouse and the television studio. "Today, it seems young lawyers are less interested in the high court than the 'People's Court,'" Ford said at a ceremony dedicating a new home for the Detroit College of Law. "Along the way the pursuit of justice has all but been degenerated to a pursuit of ratings. It's like Clarence Darrow and Atticus Finch have yielded the floor to William Ginsberg and the Dream Team."

A pelican more than a thousand miles from its natural habitat is getting celebrity treatment in a Norwegian mountain town. The bird turned up in the village of Trysil, about 1,200 miles (1,900 kilometers) north of the Balkans and the Mediterranean, its typical habitat, the Hamar Arbeiderblad newspaper reported. Trysil residents with cameras have gathered to watch the bird, which has perched for up to 14 hours at a time atop a telephone pole, the newspaper said. "This is an out-and-out sensation," said Jostein Sandvik of the Norwegian Ornithological Association. He said the pelican had a good chance of survival if it can figure out which way is south.



The singer Eric Burdon at the McCartney tribute.



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